

Registered Office: Tel : 91 44 2811 2472
" Maithri " Fax : 91 44 2811 2449
132, Cathedral Road, URL : www.ranegroup.com
Chennai 600 086.
India.
CIN : L63011TN2004PLC054948

Rane Brake Lining Limited



//Online submission//

RBL/SE/028/2024-25

June 26, 2024

BSE Limited (BSE) Listing Centre Scrip Code: 532987	National Stock Exchange of India Limited (NSE) NEAPS Symbol: RBL
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Dear Sir / Madam,

Sub: 19th Annual General Meeting - Regulation 34 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

Ref: Our letter no. RBL/SE/013/2024-25 dated May 03, 2024

The **Nineteenth Annual General Meeting (19th AGM)** is scheduled to be held on **Monday, July 22, 2024 at 14:00 hrs (IST)** through **Video Conference (VC) / Other Audio Visual Means (OAVM)**. The Company has engaged Central Depository Services (India) Limited ("CDSL") for providing E-voting services and VC/OAVM facility for this AGM. Details of e-voting are as follows:

Cut-off date for determining eligibility for the remote e-voting & e-voting at the AGM	July 15, 2024 (Monday)
e-Voting start date and time	July 19, 2024 (Friday) and 09:00 hrs IST
e-Voting end date and time	July 21, 2024 (Sunday) and 17:00 hrs IST

The copy of 19th Annual Report along with the Notice of the 19th AGM dated May 03, 2024 is being sent to the shareholders of the Company in accordance with Regulation 34 of SEBI LODR, is enclosed herewith and the same is also available on the website of the Company at www.ranegroup.com.

We request you to take the above on record as compliance with relevant regulations of SEBI LODR and disseminate to the stakeholders.

Thanking you.

For Rane Brake Lining Limited

Venkatraman
Secretary

Encl.: a/a

Rane Brake Lining Limited

19th Annual Report 2023-24



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FINANCIAL HIGHLIGHTS

OPERATIONAL PERFORMANCE

(₹ in Crores)

FINANCIAL YEAR	FY 24	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15
Total Income (*)	662.97	607.07	518.19	434.81	481.43	520.97	487.21	470.58	451.64	418.49
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	76.30	64.63	56.11	71.61	70.99	73.95	78.97	62.98	57.65	47.56
Profit Before Tax (PBT)	54.43	44.58	34.67	46.94	44.68	49.31	54.89	42.70	35.48	20.60
Profit After Tax (PAT)	40.28	33.46	27.07	31.80	34.34	36.53	35.75	34.93	25.76	16.11

(*) Total Income are net of excise duty, where applicable.

KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	FY 24	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15
Return on Capital Employed (ROCE) %	19.25	17.05	14.19	19.61	19.61	24.16	30.17	25.11	21.90	13.82
Return on Net Worth (RONW) %	14.86	13.32	11.32	13.64	15.66	18.36	20.14	22.93	19.84	13.77
Earnings Per Share (₹)	52.11	43.29	35.03	40.45	43.39	46.15	45.17	44.13	32.54	20.36
Dividend (%) ^(*)	300	250	200	250	170	155	155	150	100	70
Dividend Payout ratio ^(*)	58	58	57	61	42	40	41	41	37	41
Book Value Per Share (₹)	363.63	337.88	314.16	306.57	289.10	265.03	237.80	210.72	174.27	153.77

^(*) Includes final dividend, if any, recommended by the Board for the respective financial years

BALANCE SHEET

(₹ in Crores)

FINANCIAL YEAR	FY 24	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15
Equity Share Capital	7.73	7.73	7.73	7.75	7.91	7.91	7.91	7.91	7.91	7.91
Shareholders' funds	281.08	261.18	242.84	237.66	228.82	209.77	188.22	166.78	137.93	121.71
Non current Liabilities	7.02	5.36	5.80	6.95	3.74	2.89	3.07	6.09	14.34	23.83
Current Liabilities	112.62	107.61	150.31	139.41	126.79	143.13	119.60	104.87	103.61	109.55
Non current assets	146.44	136.49	134.50	136.41	150.25	138.12	131.42	136.30	118.36	129.50
Current assets	254.28	237.66	264.45	247.61	209.10	217.67	179.47	141.44	137.52	125.60

Note :

- Figures from FY 17 onwards are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.
- EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.

CORPORATE INFORMATION

Board of Directors

Harish Lakshman, Chairman
L Ganesh
Ashok Malhotra
C N Srivatsan
Dr. Brinda Jagirdar
Yasuji Ishii
(Nominee of Nisshinbo Holdings Inc., Japan)

Audit Committee

C N Srivatsan, Chairman
L Ganesh
Ashok Malhotra
Dr. Brinda Jagirdar

Stakeholders' Relationship Committee

Harish Lakshman, Chairman
L Ganesh
Ashok Malhotra

Nomination and Remuneration Committee

Ashok Malhotra, Chairman
Dr. Brinda Jagirdar
Harish Lakshman

Corporate Social Responsibility Committee

Harish Lakshman, Chairman
L Ganesh
Dr. Brinda Jagirdar

Risk Management Committee

Harish Lakshman, Chairman
L Ganesh
C N Srivatsan
R Balakrishnan, President & Manager

President & Manager

R Balakrishnan

Senior Vice President - Finance & Chief Financial Officer

J Ananth

Company Secretary

Venkatraman

Listing of Shares On

BSE Limited, Mumbai
National Stock Exchange of India Limited, Mumbai

Statutory Auditors

M/s. B S R & Co. LLP,
Chartered Accountants,
KRM Tower, 1st & 2nd floor,
No.1, Harrington Road, Chetpet,
Chennai - 600 031

Secretarial Auditors

M/s. S Krishnamurthy & Co.,
Company Secretaries,
"Sreshtam", Old No.17, New No.16,
Pattammal Street, Mandaveli,
Chennai - 600 028

Bankers

HDFC Bank Limited
Standard Chartered Bank
State Bank of India

Registered Office

Rane Brake Lining Limited
CIN: L63011TN2004PLC054948
"MAITHRI", 132, Cathedral Road,
Chennai - 600 086.
Phone : +91 44 28112472
Email : investorservices@ranegroup.com
Website : www.ranegroup.com

Plants

- 1) Plot No.30, Industrial Estate,
Ambattur, Chennai - 600 058,
Tamil Nadu.
- 2) Pregnapur Village, Gajwel Mandal,
Rajiv Gandhi Highway,
Siddipet District - 502 311, Telangana.
- 3) RS No. 48, 49 & 50, Sanyasikuppam Village,
Mannadipet Commune, Thirubhuvanai Post,
Puducherry - 605 107.
- 4) Sethurapatti Village, Fathima Nagar Post,
Srirangam Taluk, Trichy - 620 012,
Tamil Nadu.

Solar Plant

Muthuramalingapuram Village,
Aruppukottai Taluk,
Virudhunagar District - 626 105
Tamil Nadu.

Registrar and Transfer Agents

Integrated Registry Management Services Private Limited,
"Kences Towers", 2nd Floor, No.1 Ramakrishna Street,
North Usman Road, T.Nagar, Chennai - 600 017.
Ph : +91-44-28140801-03; Fax : +91-44-28142479
E-mail : einward@integratedindia.in
Website : www.integratedregistry.in

Rane Brake Lining Limited

CIN: L63011TN2004PLC054948

Registered office: "Maithri", No. 132, Cathedral Road, Chennai - 600 086 | Ph: 044-28112472/73

Email: investorservices@ranegroup.com website: www.ranegroup.com

NOTICE TO MEMBERS

NOTICE is hereby given that the **Nineteenth (19th) Annual General Meeting of Rane Brake Lining Limited** will be held on **Monday, July 22, 2024 at 14:00 hrs (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2024, together with reports of the Board of Directors and the Auditor thereon**

To consider passing the following resolution as an **ordinary resolution:**

"Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2024 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

- To declare dividend on equity shares**

To consider passing the following resolution as an **ordinary resolution:**

"Resolved that a dividend of ₹30/- per equity share having face value of ₹10/- each fully paid up on 77,29,871 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2024 and the same to be paid to those shareholders, whose names appear in the Company's Register of Members as on Monday, July 15, 2024."

- To appoint a Director in the place of Mr. Ganesh Lakshminarayan (DIN:00012583), who retires by rotation and being eligible, offers himself for re-appointment**

To consider passing the following resolution as an **ordinary resolution:**

"Resolved that Mr. Ganesh Lakshminarayan (DIN:00012583) who retires by rotation under article 111 and 113 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

- To appoint Mr. Ramesh Rajan Natarajan (DIN:01628318) as an Independent Director**

To consider passing the following resolution as a **special resolution:**

"Resolved that pursuant to Section 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to appoint Mr. Ramesh Rajan Natarajan (DIN:01628318) as an Independent Director of the Company, not liable to retire by rotation, in terms of section 149 of the Act read with Articles of Association of the Company, to hold office for a term of five consecutive years with effect from July 22, 2024, up to July 21, 2029, in accordance with the policy of the Company applicable to Board of Directors from time to time."

(By order of the Board)
For **Rane Brake Lining Limited**

Chennai
May 03, 2024

Venkatraman
Secretary

Registered Office:

Rane Brake Lining Limited
"Maithri", 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

NOTES:

1. The 19th AGM of the Company is being conducted through VC / OAVM Facility, in compliance with General Circular No. 09/2023 dated September 25, 2023 read with previous circulars in this regard issued by the Ministry of Corporate Affairs ('MCA Circulars') and the provisions of the Act which does not require physical presence of Members at a common venue. The deemed venue for the 19th AGM shall be the Registered Office of the Company. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.
2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Corporate members intending to send their authorised representatives to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting are requested to send to the Company a certified copy of the board resolution authorising their representative to the email address of the Company i.e., investorservices@ranegroup.com.
5. The record date for the purpose of dividend and the cut-off date for the purpose of determining eligibility of members for voting in connection with the 19th AGM is **Monday, July 15, 2024**.
6. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remained unclaimed / unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
7. Members may also note that the notice of the 19th AGM and the Annual Report 2024 will be available in the Investors Section on the Company's website www.ranegroup.com.
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

**M/s. Integrated Registry Management
Services Private Limited**
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers",
No.1, Ramakrishna Street, North Usman Road,
T Nagar, Chennai - 600 017,
e-mail ID: einward@integratedindia.in
Website: www.integratedregistry.in
Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with PIN Code, email address, mobile number, bank account details) and nomination details by holders of securities. Relevant details and forms prescribed by SEBI in this regard are available under the Investor Information Section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.
11. SEBI has vide its amendment Circular Nos. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 read with previous circulars issued in this regard has mandated that with effect from April 01, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.
Further, relevant FAQs published by SEBI can be viewed on its website: <https://www.sebi.gov.in/>.

12. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. Shareholders (Resident / Foreign) are required to update necessary documents for exemption / deduction at beneficial rates by uploading necessary documents are available under the Investor Information Section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/> or email to investorservices@ranegroup.com.
13. As per SEBI norms, with effect from January 25, 2022, all transmission / transfer requests including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.
14. In compliance with the aforesaid MCA Circular dated September 25, 2023 and SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 ('SEBI Circular') the Notice of the AGM along with the Annual Report 2024 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2024 will also be available on the Company's website www.ranegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.
15. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
16. Information pursuant to regulations 36(3) & (5) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect to the Directors seeking appointment / re-appointment and auditor appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
17. Members seeking any information with regard to the accounts or any other matters relating to this AGM, are requested to write well in advance to the Company on investorservices@ranegroup.com.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts or Arrangements in which the Directors are interested, under Section 189 of the Act, will be available in electronic form for inspection by the members during the AGM. All documents referred in the notice will be available in electronic form for inspection. Members seeking to inspect such documents electronically can send an e-mail to investorservices@ranegroup.com.
19. SEBI vide Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 (updated as on August 04, 2023 and December 20, 2023) has specified that a shareholder shall first take up His / Her / Their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, He / She / They can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal at <https://smartodr.in/login>. The aforesaid SEBI Circular and the link for the ODR Portal is also available on the website of the company.
20. Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.
21. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
 - (i) The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL e-Voting System).
 - (ii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of "remote e-voting" or voting at the AGM.
 - (iii) Mr. Balu Sridhar, Practicing Company Secretary (ICSI Membership no. FCS 5869), Partner, M/s. A.K. Jain & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the "remote e-voting" process and voting at the AGM, in a fair and transparent manner.
 - (iv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ranegroup.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

The instructions to shareholders for e-voting and joining virtual meetings are as under:

- (i) The voting period begins on **Friday, July 19, 2024 at 09:00 hrs (IST) and ends on Sunday, July 21, 2024 17:00 hrs (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Monday, July 15, 2024**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the AGM date would not be entitled to vote at the AGM.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in

respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL / NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility. Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL / NSDL is given below:

CDSL	NSDL
<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab.</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers’ website directly.</p>	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p>

CDSL	NSDL
<p>3) If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder / Member" section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>

Individual Shareholders (holding securities in demat mode) login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- a. The shareholders should log on to the e-voting website www.evotingindia.com.
- b. Click on "Shareholders" module.
- c. Now enter your User ID
 - I. For CDSL: 16 digits beneficiary ID,
 - II. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - III. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- f. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.

For Physical shareholders and other than individual shareholders holding shares in Demat.	
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A Confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR / POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorservices@ranegroup.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Instructions to shareholders attending the AGM through VC / OAVM & e-voting during meeting are as under:

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance between **Wednesday, July 17, 2024 at 09:00 hrs (IST) and Friday, July 19, 2024 by 17:00 hrs (IST)** mentioning their name, demat account number / folio number, email id, mobile number to investorservices@ranegroup.com. The shareholders who do not wish to speak during the AGM but have queries may too send their queries in advance in the above manner. The Company would endeavour to address these queries suitably.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting on items set out in the AGM Notice.
- (ix) Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same

shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Process for those shareholders whose email / mobile no. are not registered with the Company / depositories.

- (i) For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company / RTA Email ID.
- (ii) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
- (iii) For Individual Demat shareholders - Please update your Email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending the AGM & e-voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at the toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

(By order of the Board)
For **Rane Brake Lining Limited**

Venkatraman
Secretary

Chennai
May 03, 2024

Registered Office:
Rane Brake Lining Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

EXPLANATORY STATEMENT

Pursuant to Section 102 (1) of the Companies Act, 2013

Item No.4

The Board of Directors had, based on recommendations of the Nomination and Remuneration Committee (NRC) proposed to appoint Mr. Ramesh Rajan Natarajan (DIN:01628318) as an Independent Director in terms of the applicable provisions of the Companies Act, 2013 ('Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') for a period of five consecutive years effective from July 22, 2024 up to July 21, 2029 (both days inclusive).

Mr. Ramesh Rajan Natarajan is a Fellow member of the Institute of Chartered Accountants of India. He was the Executive Director / Partner for global assurance of PWC International and is the Founder and Senior Partner of Leapridge Advisors LLP. Mr. Ramesh Rajan Natarajan also currently serves as Director on the Board of TTK Healthcare Limited, Cholamandalam Investment and Finance Company Limited, Kineco Limited, Indo-National Limited, Rane (Madras) Limited and Rane Engine Valve Limited. At the time of recommendation, the NRC evaluated the balance of skills, knowledge and experience on the Board, and on the basis of such evaluation, prepared a description of the role and capabilities required of the Independent Director.

His role as an Independent Director requires skills, competence and expertise on industry, technology, business development, governance and allied disciplines in the context of automotive business.

His professional experience and expertise in fields of finance, strategy, operations and allied disciplines besides governance practises meets the required skills.

Also considering his rich knowledge, experience and fulfilment of the various criteria for appointment as an Independent Director as specified in the Act, SEBI LODR,

policies of the Company and based on the recommendations of the NRC, the Board of Directors recommends to the members that the appointment of Mr. Ramesh Rajan Natarajan would be beneficial to the company.

Mr. Ramesh Rajan Natarajan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of SEBI LODR. He has also registered with the Independent Directors databank maintained by Indian Institute of Corporate Affairs (IICA) and stands exempted from the requisite proficiency self-assessment test.

In the opinion of Board, Mr. Ramesh Rajan Natarajan fulfils the criteria for appointment as an Independent Director as specified in the relevant provisions of the act and SEBI LODR and he is independent of management of the company. Other information relating to his appointment in accordance with Secretarial Standard - 2 (SS-2) and 36(3) of SEBI LODR is annexed to the notice. The terms and conditions of appointment as an Independent Director is available for inspection by members at the registered office of the company between 10:00 hrs to 12:00 hrs up to the date of AGM and also on the investor section of website of the company www.ranegroup.com. His appointment will also be governed by the policy of the company applicable to the Board of Directors.

None of the other Directors and KMP of the company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the company. The Board recommends passing the resolution as set out at item no.4 as a **special resolution**.

(By order of the Board)

For **Rane Brake Lining Limited**

Chennai
May 03, 2024

Registered Office:
Rane Brake Lining Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

Venkatraman
Secretary

Annexure to the NOTICE dated May 03, 2024

Information about directors seeking re-appointment / appointment at the 19th Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. Ganesh Lakshminarayan	Mr. Ramesh Rajan Natarajan
I. Brief Resume		
Age (in years)	70	66
Director Identification Number (DIN)	00012583	01628318
Father's Name	Mr. L L Narayan	Mr. Justice Natarajan Sivasankar
Date of Birth	March 18, 1954	July 05, 1957
Educational Qualifications	B.Com., ACA and MBA from Pennsylvania State University, USA.	B.Com - Madras University, FCA
Experience	Mr. L Ganesh has over 48 years of industrial experience in and overall management of the companies. He has held several positions of high responsibilities with various industry forums and had been the President of Automotive Component Manufacturers Association of India and Chairman of Confederation of Indian Industry, Southern Region. He continues to be an honorary consul for New Zealand in South India.	Mr. Ramesh Rajan Natarajan has over 42 years of professional experience and is a Fellow member of the institute of Chartered Accountants of India. He was the Executive Director / Partner for Global Assurance of PwC International and is the Founder and Senior Partner of Leapridge Advisors LLP.
Nature of expertise	Industrial, technical and operational expertise in automotive and driving business across geographies, governance practices and expertise in allied disciplines.	Professional experience and expertise in fields of finance, strategy, operations and allied disciplines besides governance practises.
II. Other details		
Date of first appointment on the board	June 18, 2007	July 22, 2024
Terms and Conditions of appointment	Re-appointment as Director, liable to retire by rotation.	Proposed to be appointed as non-executive Independent Director per resolution at item no. 4 of the notice convening 19 th Annual General Meeting on July 22, 2024 read with explanatory statement thereto
Last drawn remuneration	Sitting fee paid for FY 23-24 - ₹4,30,000/- Commission paid for FY 23-24 - ₹1,11,36,000/-	NA
Remuneration sought to be paid	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.
Relationship with other Directors / Manager / Other KMP	Member of Promoter / Promoter Group	Nil
Other Directorships	<p>Chairman: Rane Holdings Limited ZF Rane Automotive India Private Limited Rane NSK Steering Systems Private Limited Chennai Willingdon Corporate Foundation Chennai Heritage</p> <p>Director: Rane (Madras) Limited Rane Engine Valve Limited Sundaram Finance Limited</p>	<p>Chairman: Indo-National Limited</p> <p>Director: TTK Healthcare Limited Cholamandalam Investment and Finance Company Limited Kineco Limited Rane (Madras) Limited Rane Engine Valve Limited</p> <p>Designated Partner: Leapridge Advisors LLP</p>

Name of the Director	Mr. Ganesh Lakshminarayan	Mr. Ramesh Rajan Natarajan
Committee Memberships in other Boards	<p>Chairman:</p> <p>Audit Committee: Rane NSK Steering Systems Private Limited ZF Rane Automotive India Private Limited</p> <p>Stakeholders Relationship Committee: Rane Engine Valve Limited Sundaram Finance Limited</p> <p>Corporate Social Responsibility Committee: Rane Holdings Limited Rane NSK Steering Systems Private Limited ZF Rane Automotive India Private Limited</p> <p>Risk Management Committee: Rane Holdings Limited</p> <p>Member:</p> <p>Audit Committee: Rane Engine Valve Limited Rane (Madras) Limited Rane Holdings Limited</p> <p>Stakeholders Relationship Committee: Rane Holdings Limited</p> <p>Corporate Social Responsibility Committee: Rane (Madras) Limited Rane Engine Valve Limited</p> <p>Risk Management Committee: Rane (Madras) Limited</p>	<p>Chairman:</p> <p>Audit Committee: Indo-National Limited Cholamandalam Investment and Finance Limited Rane (Madras) Limited Rane Engine Valve Limited</p> <p>Stakeholders Relationship Committee: Indo-National Limited</p> <p>Nomination And Remuneration Committee: Rane (Madras) Limited</p> <p>Risk Management Committee: Indo-National Limited</p> <p>Corporate Social Responsibility Committee: Indo-National Limited</p> <p>Member:</p> <p>Audit Committee: Kineco Limited</p> <p>Stakeholders Relationship Committee: Rane (Madras) Limited</p> <p>Risk Management Committee: Cholamandalam Investment and Finance Limited TTK Healthcare Limited Rane (Madras) Limited</p> <p>Nomination And Remuneration Committee: TTK Healthcare Limited Indo-National Limited Cholamandalam Investment and Finance Limited</p>
Listed entities from which Director has resigned in the past three years	EIH Limited* EIH Associated Hotels Limited*	Nil
Number of meetings of the Board attended during the year	6	-
Number of equity shares held (including joint holdings)	100	-
Number of equity shares held as beneficial owners in the Company	-	-

* ceased to be director w.e.f March 07, 2022.

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Nineteenth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2024 and other prescribed particulars:

1. State of Company's affairs

The financial year 2023-24 saw a pick-up in the business at the backdrop of the robust growth of the Indian and global economy. The automotive and auto components industry faced supply chain challenges due to semiconductor shortage, shipping and logistics constraints.

The increase in production volumes across all major segments and entry into new models in Passenger Vehicle and Two wheeler segments have resulted in positive sales growth. Entry into new geographies and the enhancement of the product range, development of new grades will sustain the growth momentum in the export market. Efforts to increase the export customer base will be the prime focus in the future for business growth.

1.1. Financial Performance

The financial highlights of the year under review are as follows:

(₹ in Crores)		
Particulars	2023-24	2022-23
Revenue from Operations	660.83	598.80
Other Income	2.14	8.27
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	77.52	64.63
Less: Depreciation / Amortisation / Impairment	21.84	20.00
Profit / loss before Finance Costs, Exceptional items and Tax Expense	55.68	44.63
Less: Finance Costs	0.03	0.05
Profit / loss before Exceptional items and Tax Expense	55.65	44.58
Add / (less): Exceptional items	(1.22)	-
Profit / (loss) before Tax Expense	54.43	44.58
Less: Tax Expense (Current & Deferred)	14.15	11.12
Profit / (loss) for the year (1)	40.28	33.46
Total Comprehensive Income / (Loss) (2)	(1.06)	0.34
Total (1+2)	39.22	33.80
Balance of profit / (loss) for earlier years	83.11	70.57
Less: Transfer to Reserves	44.44	5.80
Less: Dividend paid on Equity Shares	(19.32)	(15.46)
Balance carried forward	58.56	83.11

The Key Performance Indicators, operational performance and summary on balance sheet are furnished in page no.1 of this annual report and significant changes in key ratios are discussed in Management Discussion and Analysis Report and notes to the financial statements.

The Sales and other Operating Revenue for the FY 2023-24 increased by 9.21% while the Profit Before Tax (PBT) increased by 22.09% when compared to previous year. The Earnings Per Share (EPS) for the year 2023-24 was ₹52.11 as against ₹43.29 in the previous year.

The Company continues to be a subsidiary of Rane Holdings Limited (RHL / Holding Company). There were no material changes or commitments, affecting the financial position of the Company between the end of the financial year of the Company and date of this report, apart from those disclosed in the financial statements section of this Annual Report. There was no change in nature of business during the year.

1.2. Appropriation

The Board of Directors, taking into consideration, the operational performance and financial position of the Company, have recommended a dividend of 300% (i.e., ₹30/- per share of ₹10/- each, fully paid-up) for approval of shareholders at the ensuing 19th Annual General Meeting (AGM) scheduled to be held on July 22, 2024. The total dividend paid / payable on equity shares for FY 2023-24 would be ₹23.19 crores.

On declaration of the dividend by the shareholders, it will be paid on July 31, 2024 to all the eligible shareholders, whose name appears in the register of members of the Company as on July 15, 2024, being the Record Date fixed for this purpose, subject to deduction of tax at source where applicable. The total of dividend paid / payable for the FY 2023-24 would be ₹30/- per equity share of a face value of ₹10/- each. This represents a payout ratio of 58%.

Considering the above, the Board has retained ₹23.20 Crores as surplus in the profit and loss account. A sum of ₹12.17 Crores has been approved by the Board for transfer to reserves.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. The policy is available under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

1.3. Merger / Scheme of Amalgamation

The Board of Directors of the Company at its meeting held on February 09, 2024 has considered and approved Scheme of Amalgamation of Rane Engine Valve Limited and Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, in terms of the provisions of Section(s) 230 to 232 and other applicable sections and provisions of the Companies Act, 2013 ('Act') read together with the rules made thereunder ('Scheme').

The Scheme is subject to the approval of shareholders, creditors, Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited, National Company Law Tribunal and such other approvals as may be required.

The merger significantly simplifies the group structure by consolidating listed group companies and aligns public shareholder's interest by converging the stake at a single listed entity. The Management Discussion and Analysis section of this Annual Report carries the rationale and benefits of the Scheme.

1.4. Credit Rating

The Company's financial management and its ability to service its financial obligations in a timely manner, has been re-affirmed by ICRA Limited for its credit facilities during the year under review on January 04, 2024.

Further, Long-Term Rating and Short-Term Rating was kept under review as 'Rating Watch with Developing Implications' on February 20, 2024, the rating action follows the announcement of merger referred to in Para 1.3 of this report.

This has been disclosed to stock exchanges and made available in the Company's website. The Corporate Governance section of this Annual Report carries the details of credit rating.

1.5. Share Capital

During the year under review, there was no change in capital structure of the Company and as at the year ended March 31, 2024, the paid-up capital of the Company stood at ₹7,72,98,710/- consisting of 77,29,871 fully paid-up equity shares of ₹10/- each.

1.6. Management Discussion & Analysis

The business of your Company is manufacturing and marketing of auto components for transportation industry viz., friction material (Disc Pads, Brake Shoes, Clutch Facings, Clutch Buttons, Brake Linings and Brake Blocks). The analysis on the performance of the industry, the Company, internal control systems, risk management are presented in the Management Discussion and Analysis report forming part of this report and are provided in 'Annexure A'.

1.7. Subsidiaries, Associate and Joint Venture Companies

The Company does not have any subsidiary, associate or joint venture. There was no Company which has become or ceased to be Company's subsidiary, Joint venture or associate during the financial year 2023-24.

2. Board of Directors, Committees and Management

2.1. Composition

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and

Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee are constituted in accordance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), wherever applicable. The Board of Directors have also constituted an Executive Committee and a Finance Committee. The Corporate Governance Report given in 'Annexure E' contains an overview of the role, terms of reference, meetings and composition of the Board of Directors of the Company and its Committees.

Mr. L Ganesh, retired as Chairman of the Board, effective from close of business hours on March 31, 2024 and is continuing to serve on the Board, as a Non-Executive Director. The Board appointed Mr. Harish Lakshman as Chairman of the Board, effective from April 01, 2024.

Appointment of Mr. Ramesh Rajan Natarajan (DIN:01628318) as an Independent Director has been recommended by the Board of Directors on May 03, 2024, based on recommendations of the Nomination and Remuneration Committee. The approval of the shareholders of the Company is being sought at the ensuing Annual General Meeting for his appointment as an Independent Director in the first term of 5 (five) consecutive years with effect from July 22, 2024.

There were no other change in the composition of the Board of Directors during this year.

The Board of Directors are of the opinion that the Director(s) proposed for appointment / re-appointment at the ensuing 19th AGM of the Company possess integrity, necessary expertise, relevant experience and proficiency and the Corporate Governance Report annexed to this report contains necessary disclosures regarding such Director(s).

The terms and conditions of appointment of Independent Directors have been disclosed under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have further affirmed that they satisfy the criteria laid down under section 149(6) of the Act and Regulation 25 and other applicable regulations of SEBI LODR as amended from time to time. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have qualified

the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2023-24 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

2.2. Retirement by rotation

Mr. Ganesh Lakshminarayan (DIN:00012583) retires by rotation at the ensuing 19th AGM, being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. L Ganesh as a Director is included in the notice convening the 19th AGM.

2.3. Board and Committee Meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The gap between any two consecutive meetings of the Board of Directors was less than 120 days. The details of Committee meetings are provided in the Corporate Governance Report. For eligible matters, if any, the Board / its Committees may also accord approvals through resolutions passed by circulation.

2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity, timeliness of flow of information between the management and the Board and review the performance of the non-Independent Directors. The Independent Directors expressed that the current flow of information was timely and of superior quality which enabled them to effectively perform their duties and that they are satisfied with the performance of non-Independent Directors.

2.5. Board Evaluation

The annual evaluation of the performance of the Board, functioning of its committees, individual Directors, and the Chairman of the Board was carried out based on the criteria formulated by the Nomination and Remuneration Committee.

To all the directors, a structured questionnaire was sent seeking feedback and any comments on various parameters as recommended by the Nomination and Remuneration Committee. As regards evaluation of the functioning of the Board as a whole, including Committee(s) thereof, key focus areas for evaluation

were on aspects like Board diversity and skill set to review strategies, risk management dimensions and processes, flow of information, adequacy and timeliness of agenda materials, effectiveness of presentations and more importantly the processes of reviewing strategic matters, annual operating plan, strategic business plan and guiding the management.

The performance of the Individual Directors, including Independent Directors were evaluated through peer evaluation. The performance of Chairman was also evaluated on countenances such as ensuring top-level policy framework, creating an open environment for exchange of views besides ensuring effective mechanism for implementing board action points.

In forming the evaluation criteria of Directors, attributes such as commitment, competency and sectoral knowledge, contributions to Board decisions and discussions and staying up to date on recent trends, being aware of macrolevel developments and networking skills were considered.

The feedback on outcomes including comments / suggestions, along with action plans, if any, on matters requiring attention of the board were discussed by the Chairman.

The evaluation framework includes mechanism to share evaluation feedback on individual Directors to the Nomination and Remuneration Committee, wherever required.

The performance review of Non-Independent Directors were carried out by the Independent Directors in their separate meeting held during the year.

2.6. Familiarisation program for Independent Directors

The details of familiarisation program for Independent Directors have been disclosed in the policies under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

2.7. Key Managerial Personnel (KMP) & Senior Management Personnel (SMP)

During the year under review, there were no changes in the Key Managerial Personnel and Senior Management Personnel of the Company.

As at the year ended March 31, 2024, Mr. R Balakrishnan, President & Manager, Mr. J Ananth, Senior Vice President - Finance & Chief Financial Officer (CFO) and Mr. Venkatraman, Secretary, hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Companies Act, 2013.

The Senior Management Personnel other than KMP were Mr. V Narayanan (Head - Marketing), Mr. K Babu Nizam (Head - Materials Management) and Mr. R Govardhanan (Head - Human Resources).

2.8. Remuneration policy

The policy contains criteria for determining positive qualifications, positive attributes, independence of a Director and also covers aspects of remuneration which is reasonable and sufficient to attract, retain and motivate Directors / high potential employees to run the Company successfully.

The policy on appointment and remuneration of Directors, KMP and SMP as laid down by the NRC of the Board has been disclosed in the policies under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>. There has been no change in this policy during the financial year 2023-24.

In accordance with the said policy, approval was obtained from the shareholders in terms of Regulation 17(6)(ca) of the SEBI LODR at the 18th AGM held on July 24, 2023, for payment of commission to Mr. L Ganesh, Chairman, for an amount exceeding 50% of total annual remuneration payable to other Non-Executive Director, for the FY 2023-24. The details of remuneration paid / payable to the Directors during the FY 2023-24 is furnished in the Corporate Governance report annexed to this report of the Board.

3. Audit and allied matters

3.1. Audit Committee

The composition, terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance section of the Annual Report. The Audit Committee of the Board acts in accordance with the terms of reference, which is in compliance with the provisions of Section 177 of the Act and Regulation 18 of SEBI LODR and other applicable provisions of SEBI LODR, as amended from time to time.

3.2. Statutory Auditor

M/s. B S R & Co., LLP, Chartered Accountants (BSR) (Firm Registration Number 101248W/W-100022), hold the office of Statutory Auditors of the Company, in terms of Section 139 of the Act read with applicable rules thereunder and as per the members' approval accorded at the 17th Annual General Meeting, for a first term of five consecutive years i.e., from the conclusion of the 17th AGM (2022) till conclusion of 22nd AGM (2027).

The Statutory Auditor's report to the members for the year ended March 31, 2024 does not contain any qualification, reservation, adverse remark or disclaimer. Also there has been no instance of fraud reported by the statutory auditors for the period under review.

3.3. Cost Audit & Maintenance of cost records

The Company maintains cost records as prescribed by the Central Government under Section 148(1) of the act in respect of certain specified products manufactured by it. However, the requirement for appointment of Cost Auditor and Cost Audit under the Companies (Cost Records and Audit) Rules, 2014 is not applicable to the Company.

3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, have been appointed by the Board of Directors as Secretarial Auditors for the FY 2023-24. The Secretarial Audit report pursuant to Section 204 of the Companies Act, 2013 is annexed in '**Annexure B**' and was taken on record by the Board of Directors at its meeting held on May 03, 2024. The report does not contain any qualification, reservation, adverse remark or disclaimer.

3.5. Internal Auditor

M/s. Deloitte Touche Tohmatsu India LLP are the Internal Auditors appointed by the Board of Directors based on the recommendations of the Audit Committee.

Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, review of statutory and legal compliances with applicable statutes / laws and assessing the internal control strengths in all these areas including financial reporting. Internal Auditor findings are discussed with the process owners and suitable corrective actions are taken as per the directions of the Audit Committee on a regular basis to improve efficiency in operations. The Internal Auditor reports directly to the Audit Committee. The Committee, while reviewing their performance scope, functioning, periodicity and methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz., internal audit structure, staffing and seniority of the officials proposed to be deployed etc., are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

4. Directors' responsibility statement

In terms of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief based on the information and explanations obtained by them, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;

- b. they had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- d. they had prepared the financial statements for the financial year on a 'going concern' basis;
- e. they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

5. Related Party Transactions (RPT)

All RPT that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant RPT made by the Company with related parties which require approval of the shareholders / which have potential conflict with the interest of the Company at large.

All RPT are placed before the Audit Committee and the Board, wherever required, for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are entered into in the ordinary course of business and are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis. All RPT are approved by the Independent Directors who are members of the Audit Committee.

The Company has put in place a proper system for identification and monitoring of such transactions. Save as disclosed in this report none of the Directors or Key Managerial Personnel have any pecuniary relationships or transactions with the Company. The policy on Related Party Transaction as approved by the Board has been disclosed in the Corporate Governance section on the investor's page at the web link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

None of the Directors or Key Managerial Personnel or Senior Management Personnel have any material financial and commercial transactions (except receipt of remuneration, as applicable), which may have potential conflict with interest of the Company at large.

6. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: **"To be a socially and environmentally responsible corporate citizen"**. The CSR activities of Rane Group focus on four specific areas, viz., (a) Education; (b) Healthcare; (c) Community Development; and (d) Environment.

The CSR Committee of the Board is responsible for recommending CSR projects and activities to the Board in line with the CSR policy. The CSR Committee monitors and reviews the implementation of CSR activities periodically.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee.

During the year, the Company has contributed a sum of ₹0.85 crores on various CSR activities as per the CSR policy and recommendations of the CSR Committee. The **'Annexure C'** to this report contains the annual report on CSR activities of the Company for FY 2023-24. The CSR policy of the Company has been disclosed in the Corporate Governance section on the investor's page at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

Further, in terms of the CSR Rules, the Chief Financial Officer has issued a certificate to the CSR Committee that the funds disbursed for CSR have been used, for the purpose and in the manner approved by the Board for FY 2023-24.

7. Energy conservation, technology absorption and foreign exchange earnings and outgo

The **'Annexure D'** to this report contains the information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

8. Corporate Governance Report

Your Company is committed to maintaining the highest standards of corporate governance and effective compliance with the regulatory norms under the SEBI regulations and other laws and regulations applicable to the Company. The Corporate Governance Report and the certificate issued by the Statutory Auditors are available in **'Annexure E'** to this report.

9. Particulars of Directors, Key Managerial Personnel and Employees

The details in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is available in 'Annexure F' to this report.

Pursuant to Section 136(1) of the Companies Act, 2013, the report of the Board of Directors is being sent to the shareholders of the Company excluding the statement prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The statement is available for inspection by the shareholders at the Registered Office of the Company during business hours.

10. Risk Management

The Risk Management Committee of the Board periodically reviews the risk management policy and its procedures.

The Company has in place a Risk Management Policy covering internal and external risks including information security, cyber security, Environmental, Social and Governance (ESG) related etc., measures for risk mitigation including systems and processes for internal control to identify risks associated with the Company and measures to mitigate such risks. The details of composition, scope and the meetings held during the year are provided as part of the Corporate Governance report are provided in 'Annexure E' to this report.

11. Other disclosures

- a. Details of loan, guarantees and investments, if any, under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the financial statements.
- b. The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- c. There was no significant / material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- d. The policies approved and adopted by the Board have been made available under the Corporate Governance section of the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.
- e. The copy of the Annual Return is available under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

- f. The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India as per section 118(10) of the Companies Act, 2013.
- g. Business Responsibility and Sustainability Reporting is not applicable to the Company since it does not fall under the top 1000 listed companies based on market capitalisation.
- h. The details regarding unclaimed / unpaid shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the corporate governance section of this annual report.
- i. The Company does not accept any deposits falling under the provisions of section 73 of the Companies Act, 2013 and the rules framed thereunder.
- j. The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company. The policy which is also available on the intranet portal of the Company provides adequate safeguard against victimisation and for direct access to the Chairman of the Audit Committee for the employees to state their complaints / grievances.
- k. The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) comprising of Presiding Officers and members with an appropriate mix of employees and

external subject matter experts. During the period, the details of complaints received / resolved or pending are as under:

No. of complaints received during the year - Nil

No. of complaints disposed off during the year - Nil

No. of complaints pending as at the end of the year - Nil

- i. In view of the exemptions available vide General circular 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs ("MCA") read with previous circulars and SEBI Circular dated October 07, 2023, the company will not be dispatching hard copies of the Annual Report to the shareholders. The full Annual Report will be made available on the website of the Company and will also be disseminated to the stock exchanges where shares of the Company are listed. The hard copies of the Annual Report will be made available

to those members who are specifically requesting for the same. The electronic copies of the annual report and the notice convening the 19th AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

Annual General Meeting

- m. 19th AGM would be conducted through video conferencing or other audio visual means on Monday, July 22, 2024 at 14:00 hrs (IST) as per the framework notified by the Ministry of Corporate Affairs. The notice convening the 19th AGM contains detailed instructions and notes in this regard.

Acknowledgement

We thank our Customers, Investors, Suppliers, Vendors, Bankers, Government and Regulatory Authorities and other Business Associates for their continued support in successful performance of the Company. We place on record our appreciation for the committed services of all our employees.

For and on behalf of the Board

Chennai
May 03, 2024

Ganesh Lakshminarayan
 Director
 DIN:00012583

Harish Lakshman
 Chairman
 DIN:00012602

Annexure A to the Report of the Board of Directors

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Overview

The Company manufactures and markets auto components viz., safety critical friction material products such as brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks for passenger cars, utility vehicles, commercial vehicles, two wheelers and railways. The Company operates predominantly in a single reportable segment viz., components for the transportation industry.

2. Economic Review**2.1. Global Economy**

The global economic growth is estimated to have slowed to 3.1% in 2023 mainly due to the negative impact of monetary policy tightening to curb inflationary pressures. The Eurozone grappled with diminished economic activity due to elevated interest rates aimed at curbing high inflation. China too witnessed economic headwinds due to stress in its real estate markets which exerted downward pressure on its growth trajectory. However, the emerging and developing economies as well as the US economy experienced better-than-expected growth led by resilient consumption, strong government spending and business investments. There was significant contraction in both manufacturing activity and international trade amidst sluggish global demand, largely influenced by tighter credit conditions that weighed on housing markets, investments, and overall economic activity. Despite these challenges, the concerted efforts to tighten policies led to steady decline in global inflation from its multidecade peak in 2022.

Global economic activity is expected to improve in the second half of 2024 after stagnating in the first half of the year resulting in flattish growth of 3.1% for the full year. US economy is expected to remain resilient on the back of decline in inflation and possibility of rate cuts, while Europe could face a period of stagnant growth. China is also expected to witness slower growth in 2024 due to ongoing real estate crisis placing additional drag on global growth. Global inflation is expected to moderate further on the back of tighter monetary policy and lower commodity prices. Central bank policy rates appear to have peaked in all major economies and the focus has shifted to expected rate cuts during the year. Key downside risks include the possibility of persistence of high inflation led by resilient demand and upward pressure on wages due to labour shortages which could mean fewer interest rate cuts and continuance

of tighter monetary policy. Moreover, risk of higher commodity prices emanating from geo-political conflict including continued attacks in the Red Sea could also weigh on growth prospects. As such, policymakers find themselves confronted with the dual challenge of bringing down inflation while simultaneously reviving growth. Nevertheless, the commitment of policymakers towards global economic stability through effective policy coordination, including monetary and fiscal measures is likely to accelerate growth prospects over the long term.

2.2. Indian Economy

The Indian economy has made notable strides over the past few years and in the process, it has overtaken the U.K. to become the world's fifth-largest economy. The local economy displayed remarkable resilience despite tighter monetary policy and global headwinds and emerged as the fastest-growing large economy witnessing growth of 7.8% in FY24 on the back of strong domestic demand and pick up in fixed investment driven by increased capital spending by the central and state governments. The country has managed to emerge stronger from global shocks led by flourishing consumer base and burgeoning middle class. Moreover, demographic dividend, improved financial access and investment in physical and digital infrastructure acted as catalyst for its resilience. Inflation continued its downward trajectory allowing policymakers to hold on to interest rates. Manufacturing, mining, and construction activity remained buoyant amidst decline in input costs and robust demand environment. Despite elevated interest rates, leading indicators such as Goods and Services Tax (GST) collection, e-way bills, Index of Industrial Production (IIP), credit growth, electricity consumption, automobile sales, etc. pointed to robust economic activity.

The Indian economy seems poised to continue its upward trajectory into the coming year, potentially maintaining its position as the fastest-growing major economy led by robust demand environment supported by strength in corporate and financial sector balance sheets, government spending in infrastructure, and the ongoing implementation of well-structured policy reforms. According to International Monetary Fund (IMF), growth rate in the Indian economy is expected to normalize at 6.8% in FY25 on the back of expectations of a normal monsoon and sustained momentum in manufacturing and services sector. Moreover, moderating inflation is likely to result in interest rate cuts

providing further fillip to growth. Private consumption is expected to gather pace and private capex is likely to pick up in a sustained manner. India is also negotiating free trade agreements with the European Union, the UK and the Gulf Cooperation Council which will enable the country to diversify its trade relations. However, persistent inflationary pressure resulting in higher interest rates, supply side disruptions due to geopolitical tensions, higher oil prices, slowdown in public capex, and sluggishness in rural demand on the back of deficient monsoon could dampen growth prospects.

3. Industry Review

3.1. Global Automobile Industry

The U.S. auto industry rebounded in 2023 and witnessed strong pick up in sales with many car companies reporting double-digit sales gains, marking a return to normalcy for a sector that has been on a roller coaster since the start of the pandemic. New-light vehicle sales increased by 12.4% YoY to 15.5 million units despite higher borrowing costs on the back of improving supply levels and higher incentives. Crossovers were once again the most popular segment in 2023, representing 47.9% of all new light vehicles sold. In 2023, Battery Electric Vehicle (BEV) sales topped 1.1 million units for the first time and made up 7.2% of all new light vehicles sold. The National Automobile Dealers Association (NADA) expects the U.S. new-vehicle sales to increase slightly to 15.9 million in 2024 as elevated interest rates and high price is expected to be offset somewhat by higher incentive spending by OEMs.

According to European Automobile Manufacturers' Association (ACEA), the European Union's (EU) car market experienced a robust growth of 13.9% over the previous year, resulting in a total annual volume of 10.5 million units, with the majority of markets witnessing significant double-digit increases. Petrol vehicles maintained their dominance with a market share of 35.3%, while hybrid-electric cars secured the second position, accounting for 25.8% of the market, followed by electric cars with 14.6% market share. The EU car sales growth is expected to slow to 2.5% reaching 10.7 million units in 2024 as constraints on household budgets on the back of high interest rates and tapering EV subsidies is likely to curtail meaningful demand, according to ACEA.

The global automotive industry reflected a complex interplay of innovation, resilience, and adaptation to a changing world and witnessed strong growth led by resilient demand and improving supply chain conditions. While the industry continued to pivot towards electrification, traditional Internal Combustion Engine (ICE) vehicles witnessed strong growth across all

major geographies. Traditional automakers continued to accelerate their transition towards electric and autonomous vehicles, investing heavily in research and development to stay competitive in a rapidly evolving landscape.

The global automotive industry could face minor challenges in the form of sluggish consumer spending amidst tighter credit conditions, high car prices and weak global economic growth. EV sales could experience muted growth despite supportive government policies relating to tightening of emission due to tapering government incentives, limited charging infrastructure, and the saturation of early adopters. The growth of the sector is likely to be shaped by a multitude of factors, including the adoption of electric vehicles, advancements in the production of high-capacity batteries, ramp up in installation of fast and ultra-fast charging infrastructure, introduction of autonomous vehicles, and deployment of 5G connectivity which is expected to unlock advanced connected car capabilities. Collaborations between Original Equipment Manufacturers (OEMs) and technology companies are poised to foster innovation and drive further growth in the automotive sector. However, ongoing geopolitical tensions, trade disputes, and environmental regulations could pose challenges, underscoring the industry's need for agility and adaptation in the face of evolving market dynamics.

3.2. Indian Automobile Industry

Despite external headwinds in the form of high interest rate environment, India's automotive sector remained resilient and displayed positive momentum marked by growth across all the segments, offtake in EVs, safety trends and a shift towards digitalisation. Stabilization in commodity prices, improving chip availability, robust economic activity and new model launches resulted in robust growth in the industry.

The Passenger Vehicle (PV) segment witnessed steady resurgence and growth on the back improving supplies of semiconductors, new models launches and positive customer and economy sentiment. Robust demand, easing semiconductor supply issues and strong offtake in the festive season led to volume growth of 7% in the PV segment. Utility vehicle (UV) segment saw significant migration of demand from entry level segment on the back of changing consumer preferences and flurry of new launches and continued to power the overall UV segment resulting in volume growth of 23% whereas the Passenger Car (PC) segment volume fell by 9% despite high discounts. Electric passenger vehicles continued to scale new highs as a result of increased product availability and reducing price parity.

Commercial Vehicle (CV) segment witnessed sluggish volume growth of 3% despite elevated freight rates and sustained freight demand supported by strong economic activity and growth in the manufacturing and infrastructure sector. The Medium and Heavy Commercial Vehicles (M&HCV) segment registered a growth of 3% supported by continued government infrastructure push and growth in core sectors. The Light Commercial Vehicles (LCV) segment reported volume growth of 3% led by growth in e-commerce and strong capital inflow in other end-user industries to improve logistics and last-mile connectivity pushing need for last mile connectivity.

Two-wheelers segment witnessed robust volume growth of 10% driven by a improved rural demand, the availability of a wide range of models and variants, and attractive financing options. Tractors volume declined by 8% on last year's high base due to erratic monsoon and weaker rural sentiment.

Industry Segment (Production figures)	Growth in % (YoY change)	
	FY24	FY23
Vehicle		
Passenger Cars (PC)	(9)	18
Utility Vehicles (UV)	23	33
Multi-Purpose Vans (MPV)	3	23
Passenger Vehicles (PV)	7	25
Light Commercial Vehicles (LCV)	3	23
Medium & Heavy Commercial Vehicles (M&HCV)	3	37
Commercial Vehicles (CV)	3	28
Farm Tractors (FT)	(8)	11
Two Wheelers (2W)	10	10

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

4.1. Domestic Market

The Company reported a 9.38% increase in the domestic sales. The Company witnessed a sales growth across all product categories, 8.64% in Brake Linings, 7.37% in Disc Pads and 35.38% in other automotive parts. The break-up of the domestic sales by products is given below:

(₹ in Crores)

Products	2023-24	2022-23	Growth in %
Brake Linings	240.80	221.64	8.64%
Disc Pads	341.15	317.74	7.37%
Other Automotive Parts	41.79	30.87	35.38%
Total	623.74	570.25	9.38%

The sales to Original Equipment Manufacturer (OEM) improved by 15.65% and the sales to Aftermarket (AM) marginally reduced by 0.63%. In OEM segment, the sales growth was driven by increase in volumes across all major segments and entry into new models in Passenger Vehicle and Two wheeler segments.

(₹ in Crores)

Market	2023-24	2022-23	Growth in %
OEM	405.55	350.68	15.65%
Aftermarket	218.19	219.57	(0.63)%
Total	623.74	570.25	9.38%

4.2. Exports

The export for the year was ₹35.61 Crores, an increase of 33.47% compared to the previous year. During the year, supplies commenced for US market through continuous engagement with customer and launch of new products for CV segment yielded breakthrough results. The Company continues the initiatives taken to sustain the organic sales and to enhance the export turnover through the overseas distribution network by entering into new geographies in US, Africa and Middle East countries. The enhancement of the product range, development of new grades and the product certifications as stipulated by the respective regulatory bodies will sustain the growth momentum in the export market. Customer interaction is the driving factor in strengthening our business relationship for business enhancement and increase in customer base will be the prime focus in the future.

4.3. Operational and Financial Performance

4.3.1. Financial Review

The Company registered a turnover of ₹660.83 Crores which was 10.36% higher than the turnover reported for fiscal 2023. The new products accounted for 5.52% of the total revenues. The profit before tax was ₹54.43 Crores registering an increase of 22.09% over the previous year.

Sl. No.	Key Ratios	March 31, 2024	March 31, 2023	Reason for change in FY 24
1.	Operating profit Margin (%)	8.42%	7.44%	Not Applicable
2.	Net Profit Margin (%)	6.10%	5.59%	
3.	Return on Net worth (%)	14.86%	13.32%	

The other ratios as required under Schedule III are disclosed in note no. 32 to the Financial Statements.

4.3.2. Operations and Manufacturing Review

The Company bagged new business worth ₹43.50 Crores during the financial year.

Energy conservation continued to be a key focus area. During the year, 1MW Solar Plant was installed at Trichy Plant. The Company created own generation of overall renewable energy of 5.6 MW. Overall 44% of the energy requirement is met through Renewable energy (Solar & Wind). The manufacturing operations being energy intensive, energy conservation continued to be a key focus area. Special emphasis made on horizontal deployment of best practices across the plants to preserve energy. The initiatives undertaken by all manufacturing plants to minimize the power consumption and the contractual arrangements with the third party service providers for utilizing wind energy under Captive Generation Plant (CGP) scheme yielded desired results.

Some of the key operations and manufacturing highlights include:

- Robot application installed in finishing lines across all plants.
- AI based vision inspection system implemented to strengthen internal quality gates.
- Magneto strictive sensor installed to reduce crack rejections.

4.4. Pursuit of business excellence

The 'Business Excellence Model' through enhanced practice of Total Quality Management (TQM) enabled the Company to win customer accolades. The following are the awards won during the year:

- Excellence in sustainable business - Gold award from ACMA for Puducherry Plant
- "Best Management" award from Telangana State Government.
- Occupational Safety & Health - Certificate of Appreciation from National Safety Council of India for Trichy Plant
- Customer Awards - Capable Supplier and Excellence in Technology
- Various Platinum / Rhodium / Gold awards from QCFI, CII, ABK - AOTS in different categories.

4.5. Opportunities and Threats

The automotive industry in India is poised for significant growth, driven by a multitude of factors. Accessible, affordable, and transparent financing options, improving road infrastructure and increasing disposable income have been the major factors catapulting the growth of the auto industry in India. India's increasing adoption of electric vehicles is set to enhance the industry's influence, further establishing the nation as a prominent global automotive centre. Shifting consumer preferences, increasing exports, and government support will be pivotal in shaping the future of the industry. The emerging trends and growing focus of automakers on integrating cutting-edge technologies in

car manufacturing has opened up massive investment opportunities in the India auto sector. Significant technological strides in electric vehicles, autonomous driving, connectivity, the adoption of digital sales, and a strong emphasis on safety measures are anticipated to unlock vast opportunities for the industry.

Despite significant growth prospects, the industry is also confronted with a range of issues including logistics and supply chain disruptions, escalating energy costs, shortages in skilled labour, complex economic and political landscape, and growing expectations of an increasingly discerning and demanding consumer base, among others. Persisting high interest rate environment could impact affordability to some extent for potential buyers. These economic challenges present formidable obstacles for the automotive industry, necessitating strategic adaptation and resilience to navigate through turbulent times.

4.6. Outlook

The automotive industry is poised for significant growth driven by several key factors. Foremost among these is the rapid adoption of new technologies, coupled with robust government support policies. With increasing awareness about environmental issues, there's a notable shift towards alternate fuel vehicles like CNG and EVs, which is expected to further boost sector growth. Moreover, factors such as rising per capita incomes, evolving demographic profiles, low vehicle penetration rates, and favourable policy environments, including infrastructure development, are all contributing to a steady rise in industry demand. However, potential challenges such as a global economic slowdown and higher interest rates could temporarily impact demand. Yet, the industry's ability to innovate and adapt will be pivotal as it continues to evolve, ensuring its resilience and sustained growth in the long run.

4.7. Scheme of Amalgamation

The Board of Directors of the Company at the meeting held on February 09, 2024 considered and approved the proposed scheme of amalgamation ("Scheme") of Rane Engine Valve Limited (REVL) and Rane Brake Lining Limited (RBL) with and into Rane (Madras) Limited (RML) with effect from April 01, 2024. As per the Scheme, 21 (Twenty One) equity shares of Rs.10/- each of RML will be issued for every 20 (Twenty) equity shares of Rs.10/- each held in the Company. The Scheme is subject to the approval of shareholders and creditors of the respective companies, BSE Limited and The National Stock Exchange of India Limited, National Company Law Tribunal and such other approvals as may be required.

The proposed Scheme amalgamation aims to simplify the group structure, align shareholder interests,

enhance operational efficiency, and diversify product offerings. Consolidating under a single listed entity will facilitate coordinated business management, achieve synergies in revenue and costs, optimize resources, and improve access to capital for growth opportunities. Additionally, it will enable a unified approach in customer engagement, supply chain management and administration functions, while leveraging combined human capital for improved organizational capability and leadership.

5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience,

probability of occurrence, probability of non-detection and its impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with a risk mitigation plan to the Board of Directors on a half-yearly basis. The strategic risks are taken into consideration in the annual planning process with their mitigation plan. Other risks are covered as part of the internal audit process and presented to the Audit Committee every quarter. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The overall re-assessment of risks at the Company level is carried out and presented to the Board of Directors once in two years for their review.

	Risk	Nature of Risk	Risk Mitigation Strategies
Strategic	Industry / Market Risk	Around 90% of revenue is derived from Indian Automotive sector. Hence, any drop in vehicle production will have a significant impact on Company's business.	The Company constantly strives to: a) Improve its presence in Aftermarket segment which is sizeable portion of the revenue and presents opportunity to compensate for any drop in OE segment. b) Increase revenue from international markets (outside of India). c) Add new products to increase organic revenue and diversify customers across vehicle segments.
	Technology Obsolescence Risk	Auto Industry and customer preference undergoes changes resulting in technology obsolescence.	The Company has consistently delivered cutting edge technology products with: a) Technical collaboration with the global majors. b) Enhanced R&D capabilities, localization of testing and validation capabilities.
	Competition	Maintaining market share in Competitive markets and availability of unorganized players further pose challenges.	The Company's long standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior Value. The Company periodically conducts customer survey to understand customer feedback and work in furthering its relationship.
Operational	Quality / Processes	Quality and Delivery are sacrosanct for safety of critical products supplied by the Group.	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes helps the Company to mitigate quality and delivery risk.
	People Risk	Attrition of key personnel could impact business operations and growth.	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training center supports to build functional capabilities and develop strong leadership pipeline. The performance management system and other employee engagement initiatives help to develop and retain talent.
	Raw Material (Input) Price Risk	Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin.	The Company constantly strives to mitigate the input cost increase. a) Procurement function will work on cost reduction initiatives through alternate sourcing, localization, etc. b) Further, negotiating to pass through specific input cost increases suitably to the customers. c) Work on process improvements, yield improvements, etc.

	Risk	Nature of Risk	Risk Mitigation Strategies
Financial	Currency Risk	Exposed to foreign currency exchange risk as the Company exports its products to various countries and import raw materials.	<p>The Company uses multi-pronged approach as suitable to the scenarios.</p> <p>a) Optimally balance the import and export to create natural hedge.</p> <p>b) Work with customer to index prices to mitigate currency fluctuations.</p> <p>c) Taking simple forwards on a rolling basis to protect its export realization.</p>
	Interest Rate Risk	Use of borrowings to fund expansion exposes to interest rate risk	<p>The Company manages interest rate risk on the following basis:</p> <p>a) Use of internal accruals to fund expansion</p> <p>b) Constantly optimize working capital to reduce interest costs</p>

6. Human Resource Development and Industrial relations

6.1. Talent Development Initiatives

In FY 2023-24, the Company focused on the following talent development initiatives:

Leadership Development

6.1.1. Leadership Boot Camp (LBC)

Group level mandatory internship scheme was introduced wherein the identified entry level graduates were on-boarded as interns before joining as trainees in order to provide real work experiences. 60 entry level graduates (GET/MT/PGET) joined us as part of our entry level talent hunt and underwent the LBC journey. LBC focuses on supporting the transition from campus to corporate and has a blend of technical and soft skills programs, plant visits, on-the-job training, cross functional exposures and interactions with business leaders.

6.1.2. Young Leadership Development (YLD)

The objective of YLD is to facilitate the development of leadership competencies of first time managers and to provide young leaders relevant exposures and high quality learning experiences thereby strengthening the leadership bandwidth at middle management. The seventh batch with 4 participants underwent 5 days of classroom sessions across 3 modules facilitated by Shri Dharmasthala Manjunatheshwara Institute for Management Development (SDMIMD). They also had interactive session with business leaders who shared their insights and experiences on leadership effectiveness.

As part of the ongoing learning engagement journey, YLD participants from earlier batches underwent a two-day workshop on strategy and finance facilitated by a reputed B school in Chennai. The workshop was curated with the objective of enhancing their business understanding through Rane specific case studies. Participants presented their solutions to the case studies by drawing insights from various modules to a

panel of business leaders and interacted with them on the approach and strategy for the case study.

6.1.3. High Potential Leadership Development (HPLD)

The objective of HPLD is to build leadership competencies of high potential talent and strengthen the leadership pipeline. 3 participants underwent a customised residential program titled TOP GEAR (Transforming Organization and Profitability through Growth, Engagement, Actions, Results) at Great Lakes Institute of Management (GLIM), Chennai TOP GEAR enables participants to understand their potential and the shifts required to be future ready. The participants showcased their action learning projects to Business Heads along with Dr. Suresh Srinivasan, GLIM, who shared their insights on the projects and felicitated the participants.

As part of the HPLD design, the participants underwent an outbound experiential assessment and development centre at Pegasus Institute, Pondicherry. The outbound had continuous feedback assessments that helped them to have easy acceptance of feedback and concrete developmental takeaways.

6.1.4. Rane Manufacturing Systems Professionals (RMSP)

RMSP was originally launched in June 2017 to 'Build Manufacturing Capability' among junior & middle managers in Manufacturing, Manufacturing Engineering, Quality Assurance and Plant Engineering functions. RMSP 4.0 was refreshed and rolled out in June 2023 with the objective of "enhancing manufacturing capability through technical proficiency for significant improvement in plant performance". The enhanced version of the program has two streams, Basic stream and Advance stream and places emphasis on learners, enabling role-based development for significant improvement in plant performance.

6.2. Learning digital journey

To enable anytime anywhere access, the Learning Management System (LMS) was refreshed and

transitioned to cloud and the Rane LMS app was rolled out. Some of the salient features of the app include workflows to self-enrol for programs, track and review Individual Learning and Development Plan progress and view real time dashboards. Further the L&D leaderboard was introduced to elevate learner engagement by recognising individuals as learning champion(s) and managers as enabling champion(s) based on milestones and metrics. The 'Digital Library' was enhanced with over 100 resources in the form of articles, E-books, podcasts, videos on self-leadership, people leadership, wellness, office productivity and technical processes.

e-learning courses were rolled out in the mobile platform including course on governance and road safety awareness. Employees were also encouraged to pursue online courses through the SWAYAM platform, a ministry of HRD initiative with a sponsorship for certification for up to 3 courses in a year.

6.3. Great Place to Work (GPTW)

The Rane Group believes in continuous improvement in all aspects of its operations. Employee satisfaction and engagement are as key to its growth as business performance. Therefore, to give the employees a platform to express their views in a free and open manner, Rane has been conducting an Employee Opinion Survey for almost a decade. An external consultant would administer the survey, share the findings, and help in identifying the strengths and areas of opportunity. As the organisation grew, there was a need to find other models that accurately and efficiently captured employee views and helped to benchmark against the best in keeping the employees happy.

GPTW is a globally recognized body that helps businesses create a sustainable, high trust, high-performance culture. Rane Group has been participating in the survey for over 15 years and using the findings to elevate the employee engagement and experiences. RBL was proud to be GPTW certified for 7th year in a row.

6.4. Wellness at Rane

Rane Group is committed to promoting a healthy and positive work environment for its employees. A wellness app was launched in partnership with The Wellness Corner which provides holistic wellness solutions to prioritize the health and well-being of the employees. Through this initiative, employees are encouraged to participate in multiple challenges and that help in adopting healthy habits like regular exercise and mindful eating. Through various initiatives such as wellness workshops, mental health support and financial wellness programs, the Company aims to empower the employees to lead balanced and fulfilling lives.

Wellbeing of our employees are prioritized through robust HSE (Health, Safety and Environment) practices, including ergonomic assessments, to ensure that the workspaces are optimized for comfort and productivity.

Rane Premier League (RPL) is one such event to celebrate the togetherness and also craft a workplace wellness. RPL, a cricket tournament was held among the group entities of Rane Companies, nominated best cricketers who were enthusiastic to bring home the trophy. RPL had a total of 9 teams who fought for winner and runner up awards.

Chennai Marathon is yet another event which saw good participation from Rane Group as part of wellness initiative. The Chennai Marathon is the largest sporting event in Chennai. This year, 144 employees from the Rane Group participated in the Chennai Marathon.

6.5. Women empowerment at Rane

Towards our commitment to empower women in the workplace, Rane Group launched Women at Work (W@W) Group. This group aims to build a community of "Engaged, Enthused and Empowered" women in supporting their career aspirations while effectively managing the demands of their evolving life circumstances. W@W group will be mentored by an executive coach. The format will be one-on-one and group sessions that will serve as a valuable platform for women within the organization to connect, share experiences, and access resources aimed at advancing their professional development.

6.6. Industrial Relations

Industrial relations were generally cordial in all the plants.

During the financial year, long-term wage settlement with the employee union was signed in Hyderabad plant. The group level industrial relations council works towards the objective of creating a healthy working environment by promoting peace and harmony amongst all segments of employees. The focus areas for the council includes interpretation and implementation of legislations, workforce mix planning for optimal deployment and sharing of best practices.

7. Corporate Social Responsibility (CSR)

Rane Foundation, a public charitable trust founded in the year 1967, is the lead for implementing Rane Group's CSR initiatives. The Company's CSR vision is 'to be a socially and environmentally responsible corporate citizen'. The Company continues to focus on four thrust areas for its CSR activities - Education, Healthcare, Environment and Community Development. In FY 2023-24, the Group implemented several projects by primarily focusing on Education, Healthcare and Community Development.

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education and Healthcare during the FY 2023-24.

7.1. Education

The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its thirteenth academic year. The institution is accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program. So far 1831 students have completed their diploma program and 137 students have completed the program in the academic year 2023-24. Out of 137 students, 105 opted for placements and 100% placement was achieved for the FY 2023-24 batch.

The Rane Vidyalaya, established at Trichy in the year 2018 under the aegis of Rane Foundation has stepped into its sixth academic year. Rane Vidyalaya was recognized by Directorate of School Education, Tamil Nadu in 2018 and is affiliated to the Central Board of Secondary Education, New Delhi. In 2023-24, it reached a student strength of 841 in its sixth year of operations, operating from LKG to IX standard proving the need for a quality school in rural area.

Rane Foundation in association with various educational institutions carried out the following:

- Organized pre-vocational training with Maithree to support 10 special children in the age group between 14 and 18.
- Extended support to the Gopalapuram Educational Society towards running & maintenance of Boys & Girls Schools.
- Supported in setting up of 15 Single Teacher Schools in association with Swami Vivekananda Development Society.
- Provided 50 web-cameras to Ramakrishna Mission Student's Home.

7.2. Healthcare

Rane Foundation through strategic partnerships with established organisations contributed medical equipment to not for profit hospitals of repute, making a significant impact on society across various specialties such as Ophthalmology, Dialysis, and Public Health Care at an affordable cost, as outlined below.

- Enhanced the infrastructure at Sringeri Sharada Equitas Cancer cum Multispeciality Hospital, a charitable hospital, with equipments such as 32 paramount 5 function motorized beds with mattress, 9 single nurse control motorized ICU beds with 5 functions and 43 semiflower beds with mattress.

- Supported Apollo Hospitals Enterprise Limited in conducting Tele-Ophthalmology Camp at Trichy including delivery of spectacles.
- Donated Photo Slit Lamp equipment to Sankara Nethralaya to enhance the ophthalmic care.
- Supported Voluntary Health Services, a multi-speciality hospital with drager fabius plus anaesthesia work station and vamos plus.
- Supported Tamilnadu Kidney Research Foundation (TANKER Foundation), a non-profit charitable trust with 8 automatic external defibrillator.

7.3. Community Development

Rane Foundation in association with Swami Vivekananda Rural Development Society supported in providing skill training for motor car driving for 25 women including obtaining license and facilitating employment opportunities.

Other major CSR activities carried out by the Company during FY 2023-24 are as follows:

- Supporting education for children at SOS Children's Village of India.
- Contribution to a Registered Trust which adopted 23 Government Middle Schools for infrastructure development and education of students.
- Provision of uniform material to school children and classroom board for Government Middle School at Mogappair West, Chennai
- Physical Fitness Education to Children - Erection of Volley ball court at Government Boys High School, Mogappair East, Chennai.
- Provision of Invertor, Sports Dress, Podium, Public Address System, Steel Almirah, Steel Racks and Executive Table at Government Middle School, Sanyasikuppam Village, Puducherry.
- Provision of Smart Board (interactive touch panel) with accessories at Government Boys High School, Mogappair East, Chennai.
- Provision of Steel Racks for Library at Kamarajapuram Government Middle School, Chennai.
- Construction of Cycle Shed at Government Boys High School, Mogappair East, Chennai.
- Rest Rooms with Compound wall constructed at Yagapudaianpatti Panchayat Union Primary School, Manikandam Union, Trichy.
- Construction of Bus Shelter near to Pathur Market for the use of general public.
- Chain Line Mesh installed at District Fire Station, Trichy.

- Continued to contribute for maintenance of Puducherry Keni (Lake) to protect the water resource for people, birds and animals.

8. Internal Control Systems

The Company has put in place a robust internal control system to prevent operational risks through a framework of internal controls and processes.

These controls ensure that the business transactions are recorded in a timely and complete manner in the financial records, the resources are utilised effectively and the assets are safeguarded.

The internal audit function is carried through a professional firm of independent assurance service providers. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve the annual internal

audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meetings for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of the internal control systems and compliance with laws and regulations including resource utilization and system efficacy.

9. Cautionary Statement

The information and opinion expressed in this report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in this report.

For and on behalf of the Board

Chennai
May 03, 2024

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Annexure B to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2024

Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

To the Members of

Rane Brake Lining Limited

[CIN: L63011TN2004PLC054948]

"Maithri", No.132, Cathedral Road,
Chennai - 600 086.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE BRAKE LINING LIMITED** ('the Company') during the financial year from **April 1, 2023 to March 31, 2024** ('the year' / 'audit period' / 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us in electronic mode through file sharing mechanism, forms and returns filed with statutory / regulatory authorities, and compliance related actions taken by the Company, during the year as well as after March 31, 2024, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the key managerial personnel of the Company, and noted by the Board of Directors;
- (iii) Report regarding compliance with certain factory related laws, given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the **financial year ended on March 31, 2024**, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

1. Compliance with specific statutory provisions

We further report that:

- 1.1. We have examined the books, papers, Minute books and other records maintained by the Company, the forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:
 - (i) The Companies Act, 2013, and the rules made thereunder.
 - (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
 - (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder, to the extent applicable to an Issuer Company.
 - (iv) The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment ('FEMA').
 - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'); and
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), in relation to listing of Equity shares of the Company ('Listing Agreements').

- (vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2024, but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) The Company has generally complied with the applicable provisions of the Acts, Rules and Regulations mentioned in paragraph 1.1 (i) to (iv) above. It may be noted that, the unclaimed dividend amounts required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of Section 125 of the Companies Act, 2013, by March 27, 2024, was transferred to IEPF on May 2, 2024.
 - (ii) The Company has generally complied with the applicable provisions of the SEBI Regulations and Listing Agreements, mentioned in paragraph 1.1 (v) and (vi) above.
 - (iii) The Company has complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) (to the extent applicable to Board meetings), and Secretarial Standards on 'General Meetings' (SS-2) (to the extent applicable to General meetings), mentioned in paragraph 1.1 (vii) above.
- 1.3. We are informed that, on account of non-applicability / non-occurrence of any relevant event, during / in respect of the year:
- (i) The Company was not required to comply with the following laws / rules / regulations, and consequently was not required to maintain any books, papers, Minute books or other records or file any forms or returns under:
 - (a) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Overseas Direct Investment and External Commercial Borrowings;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
 - (c) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (g) Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards - 4 (SS-4) on 'Report of the Board of Directors' (non-mandatory).
 - (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes

We further report that:

2.1. Board constitution and balance

- (i) The constitution of the Board of directors of the Company during the year was in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR.
- (ii) As on March 31, 2024, the Board of Directors of the Company comprises of:
 - (a) 3 (three) Non-Executive Non-Independent Directors; and
 - (b) 3 (three) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The Company is not required to appoint an Executive Director, since it has appointed whole-time key managerial personnel in the position of Manager, under Section 203(1)(i) of the Companies Act, 2013 (the Act).
- (iv) The processes relating to the following changes in the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Act and SEBI LODR:
 - (a) Re-appointment of Mr. Yasuji Ishii (DIN: 08078748) as a Director, upon retirement by rotation at the 18th Annual General Meeting held on July 24, 2023.
 - (b) Retirement of Mr. Ganesh Lakshminarayan (DIN: 00012583) as the Chairman of the Board, effective from close of business hours on March 31, 2024, and his re-designation as Non-Executive and Non-Independent Director, with effect from April 1, 2024, as noted at the Board meeting held on March 18, 2024.
 - (c) Appointment of Mr. Harish Lakshman (DIN: 00012602) as the Chairman of the Board, and his re-designation as Chairman,

Non-Executive and Non-Independent Director, with effect from April 1, 2024, as approved at the Board meeting held on March 18, 2024.

2.2. Board meetings

- (i) Adequate notice was given to all the directors to enable them to plan their schedule for the Board Meetings.
 - (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.
 - (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings, with the requisite consent from the Board of directors as required under SS-1:
 - (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
 - (b) Additional subjects / information / presentations and supplementary notes.
- 2.3. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.4. We are informed that, at the Board meetings held during the year:
- (i) Majority decisions were carried through; and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

3. Compliance mechanism

We further report that:

There are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

4. Specific events / actions

We further report that:

During the audit period, the following specific events / actions having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards.

Scheme of Amalgamation of the Company with and into Rane (Madras) Limited

The Board of Directors of Rane Brake Lining Limited ('the Company') at its meeting held on February 9, 2024, based on recommendations of the Audit Committee

and Committee of Independent Directors, approved **Scheme of Amalgamation** of Rane Engine Valve Limited ("REVL" / "Transferor Company 1") and Rane Brake Lining Limited ("RBL" / "Transferor Company 2") **with and into Rane (Madras) Limited** ("RML" / "Transferee Company") and their respective shareholders, in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and relevant circulars issued by SEBI, and other applicable laws, rules and regulations ('Scheme').

Share exchange ratio for the Scheme is as follows:

For Transferor Company 1 (REVL): **9 (nine) Equity shares of RML** having face value of INR 10 (Rupees ten only) each, fully paid-up, shall be issued for **every 20 (twenty) Equity shares held in REVL** having face value of INR 10 (Rupees ten only) each, fully paid-up.

For Transferor Company 2 (RBL): **21 (twenty-one) Equity shares of RML** having face value of INR 10 (Rupees ten only) each, fully paid-up, shall be issued for **every 20 (twenty) Equity shares held in RBL** having face value of INR 10 (Rupees ten only) each, fully paid-up.

The Scheme is subject to the approval of the shareholders, creditors, stock exchanges (BSE Limited and National Stock Exchange of India Limited), National Company Law Tribunal and such other approvals as may be required.

Upon the Scheme of Amalgamation becoming effective, **REVL and RBL shall stand automatically dissolved without winding-up.**

For **S. KRISHNAMURTHY & CO.**

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

[Peer Review Certificate No.739/2020]

SHARANYA SRIRAM

Partner

Membership No.: **F10252**

Certificate of Practice No.: **12731**

UDIN: F010252F000305558

Place : Chennai

Date : **May 03, 2024**

Annexure - A to Secretarial Audit Report of Even Date

To the Members of
Rane Brake Lining Limited
[CIN: L63011TN2004PLC054948]
"Maithri", No.132, Cathedral Road,
Chennai - 600 086.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2024, is to be read along with this letter.

1. Management's Responsibility:

The Company's management is responsible for maintenance of secretarial records, making the statutory / regulatory disclosures / filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Secretarial Auditors' Responsibility:

Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable Auditing Standards issued by the Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance processes and procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
5. While forming an opinion on compliance and issuing this report, we have taken an overall view, based on the compliance practices and procedures followed by the Company. We have considered:
 - (a) Compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance

with law, wherever there was scope for multiple interpretations.

- (b) Compliance related action taken by the Company after March 31, 2024, but before the issue of this report; and
 - (c) Notifications / Circulars issued by the Ministry of Corporate Affairs (MCA) / the Securities and Exchange Board of India (SEBI), in respect of various compliance related events as stated therein.
6. We have not verified the correctness and appropriateness of the financial statements, financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
 7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
 8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
 9. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

For **S. KRISHNAMURTHY & CO.**

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

[Peer Review Certificate No.739/2020]

SHARANYA SRIRAM

Partner

Membership No.: **F10252**

Certificate of Practice No.: **12731**

UDIN: F010252F000305558

Place : Chennai

Date : **May 03, 2024**

Annexure C to the Report of the Board of Directors

ANNUAL REPORT ON CSR ACTIVITIES

for the Financial Year 2023-24

1. A brief outline of the Company's CSR policy

The Company's CSR vision is committed to contributing towards its societal responsibilities beyond statutory obligations. The Company's Corporate Social Responsibility (CSR) philosophy is to function in a socially and environmentally sustainable manner recognizing the interests of all its stakeholders.

Our CSR vision is **'To be a socially and environmentally responsible corporate citizen'**. We believe that being a responsible corporate citizen is central to our purpose and values, allowing ourselves to inspire trust amongst our Business partners and motivate people to make the right choices for the business, communities and Planet. Our belief in good citizenship drives us to create maximum impact in areas of:

- (a) Education;
- (b) Health Care;
- (c) Environment; and
- (d) Community Development.

Overview of projects implemented during FY 2023-24

I. Education & Health care:

A. Institutional Development

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education. RF has established Rane polytechnic and Rane Vidyalaya at Trichy, Tamil Nadu. Rane Polytechnic is accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program. 100% of the students who opted for placements were placed through campus interviews. Rane Vidyalaya is recognized by Directorate of School Education, Tamil Nadu and is affiliated to the Central Board of Secondary Education, New Delhi and operates classes from LKG to IX standard. During the year, it reached a student strength of 841 in its sixth year of operations and proving the need for a quality school in rural area.

The Company also contributed to several programmes with a focus on promoting education including imparting knowledge to enhance vocational skills.

- (a) Education support to 5 children at SOS Children's Village of India, Chennai.
- (b) Contribution to a Registered Trust which adopted 23 Government Middle Schools for infrastructure development and education of students.
- (c) Provision of uniform material to school children and classroom board for Government Middle School at Mogappair West, Chennai.

- (d) Physical Fitness Education to Children - Erection of Volley ball court at Government Boys High School, Mogappair East, Chennai.
- (e) Provision of Inverter, Sports Dress, Podium, Public Address System, Steel Almirah, Steel Racks and Executive Table at Government Middle School, Sanyasikuppam Village, Puducherry.
- (f) Provision of Smart Board (interactive touch panel) with accessories at Government Boys High School, Mogappair East, Chennai.
- (g) Provision of Steel Racks for Library at Kamarajapuram Government Middle School, Chennai.
- (h) Construction of Cycle Shed at Government Boys High School, Mogappair East, Chennai.

B. Health Care & Awareness Programme

- (a) Special focus for supporting NGOs at different locations i.e. Puducherry and Trichy like:
 - Continue to focus on providing Safe Drinking Water facility including RO Plant along with AMC to PS Palayam Government School, Puducherry.
 - Construction of Rest Rooms with Compound wall at Yagapudaiyanpatti Panchayat Union Primary School, Manikandam Union, Trichy.
- (b) Awareness programmes on health and sanitation were carried out for the local government primary schools situated across our manufacturing facilities.

II. Community Development - Amenities and Sanitation

- (a) Construction of Bus Shelter near to Pathur Market for the use of general public.
- (b) Installation of Chain Line Mesh at District Fire Station, Trichy.

III. Environment - Plantation Drives

Continued to contribute for maintenance of Puducherry Keni (Lake) to protect the water resource for people, birds and animals.

2. The Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure headed by the Board CSR Committee. The members of the CSR Committee as on March 31, 2024 are:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. L Ganesh, Committee Chairman	Non-Executive Chairman and Promoter Director		
2.	Mr. Harish Lakshman, Committee Member	Non-Executive and Promoter Director	One (1)	One (1)
3.	Dr. Brinda Jagirdar, Committee Member	Non-Executive and Independent Director		

Note:

1. With effect from April 01, 2024, CSR Committee has been re-constituted with Mr. Harish Lakshman as Chairman and Mr. L Ganesh as a Member.

The Board CSR Committee grants auxiliary power to the working committee of the Company to act on their behalf. The members of the CSR working committee as on March 31, 2024 are:

Members	Designation
Mr. R Balakrishnan	President & Manager
Mr. J Ananth	Senior Vice President - Finance & CFO
Mr. R Govardhanan	Associate Vice President - Human Resource

3. Web-links on the website of the Company:

- (a) **Composition of CSR Committee:** <https://ranegroup.com/investors/rane-brake-lining-limited/>
- (b) **CSR Policy and CSR projects approved by the Board:** <https://ranegroup.com/investors/rane-brake-lining-limited/?rbl-cor-5>

4. Provide executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - Not Applicable**5. (a) Average net profit of the company as per sub-section (5) of section 135 (Amount in ₹)**

Particulars	FY 2020-21	FY 2021-22	FY 2022-23
Net profit for the year	31,80,18,623/-	27,07,33,955/-	33,45,67,582/-
Adjusted Net profit (as per Section 198)	47,34,14,407/-	34,86,75,700/-	44,71,80,793/-
Average Net profit	42,30,90,300/-		

- (b) Two percent of average net profit of the company as per sub-section (5) of section 135 - ₹84,61,806/-
- (c) Surplus arising out of the CSR projects / programmes / activities of the previous financial years - Nil
- (d) Amount required to be set off for the financial year - Nil
- (e) Total CSR obligation for the financial year (5b+5c-5d) - ₹84,61,806/-

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing Project) - ₹84,77,319/-

- (b) Amount spent in Administrative Overheads - Nil
- (c) Amount spent on Impact Assessment - **Not Applicable**
- (d) Total amount spent for the Financial Year (6a+6b+6c) - ₹84,77,319/-
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
84,77,319/-	NIL		NIL		

(f) Excess amount for set off - ₹15,513/-

Sl.No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	84,61,806/-
(ii)	Total amount spent for the Financial Year	84,77,319/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	15,513/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	15,513/-

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial year (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NIL								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year - No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 - Not Applicable

For and on behalf of the Board

Chennai
May 03, 2024

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman of CSR Committee
DIN:00012602

Annexure D to the Report of the Board of Directors

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to provisions of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

Steps taken or impact on conservation

- Introduction of IE3 motors in place of conventional high energy motors across all plants to reduce running loss of energy.
- BLDC motor without brush implemented at Chennai plant to reduce wear and tear, reduction in energy loss with improved efficiency.
- Continuation of LED light conversion for high bay application completed in all the plants.
- Thermography analysis carried out at periodic intervals to identify the energy leak points and also to identify electrical abnormalities. This helps in minimizing energy loss.
- Periodic ultrasonic air leak audit conducted in Puducherry plant resulted into pressure optimization in air compressor and elimination of one 240 CFM air compressor completely.
- Preforming machine motor HP optimization from 15 HP to 5 HP.
- Load optimization project carried out in Baking Ovens enabling increase in trolley capacity with a resultant energy savings.

Other Sustainability Measures

Developed Miyawaki - dense forest at Trichy plant in 2000 Sq. ft area with 38 varieties of 580 native samplings with the below objective:

- Reduction of 10479 Kg Co₂ emission per year;
- Reduction in boundary noise from 59 dB to 54 dB;
- Reduction of Particulate matters in air; and
- Improve the ground water sources.

Steps taken by the company for utilising alternate sources of energy

- Constantly working to enhance alternate energy sources viz. Wind and Solar.
- Renewable energy contributes around 44.3% of overall energy consumption.

Capital investment on energy conservation equipment

1MW hybrid Solar Plant (Ground mount and Roof top) installed at Trichy Plant.

B. Technology Absorption

Efforts made towards Technology Absorption

- New grade with high life developed for 2W.
- New Liner grade developed for tipper application with good NVH and high life.
- New grade developed and launched for high-speed in LHB coaches rail application.
- Cost effective and high life new grade developed for Aftermarket LCV and HCV segment.
- New grade Liner developed for US Aftermarket meeting FMVSS 121 and SAE 2975 requirements.
- New grade with High strength and life for higher GVW variants developed for Sri Lanka.

Capacity addition / Infrastructure

- Test facility added to monitor climate control.
- Study conducted on brake characterization in electric vehicle to assess impact of regenerative brake on brake pad.

Benefits derived like product improvement, cost reduction, product development or import substitution

These efforts have enabled the Company to enhance the competitiveness, continue its growth in the OEM business and offer localization solutions to major global customers for their new programs.

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2023-24)

Technology imported	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed reason and future plan of action
---------------------	----------------	--	--

Not Applicable

Research and Development expenditure incurred

(₹ in Crores)

Sl. No.	Particulars	2023-24	2022-23
A	Capital expenditure	7.44	0.92
B	Recurring expenditure	19.20	17.55
C	Total	26.64	18.47
D	Total R & D expenses as a percentage of total turnover	4.02%	3.04%

C. Foreign Exchange Earnings And Outgo

(₹ in Crores)

Foreign Exchange	2023-24	2022-23
Earnings	27.40	24.94
Outgo	140.33	125.62

For and on behalf of the Board

Chennai
May 03, 2024

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Annexure E to the Report of the Board of Directors

CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Governance

Rane Group's time tested philosophy of Governance is based on principles of integrity, transparency and fairness. The Rane businesses seek enhancement of shareholder value within this framework. Directors' code of conduct and employee behaviour is nourished by this culture and is governed through a policy document "Ethical Standards of Behaviour - RANE COMPASS".

Rane Group, being a good corporate citizen, complies and fully abides by the laws and regulations of the land, both in letter and spirit. Our belief in good corporate citizenship is enshrined in the Company's Code of Conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment, drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

The Company recognises the rights of all its stakeholders and encourages co-operation between the Company and its stakeholders to enable their participation in the corporate governance process as enshrined in the Ethical Standards of Behaviour - RANE COMPASS.

2. Board of Directors

Composition, Attendance and Meetings

As on March 31, 2024, the Board comprises of Six (6) Non-Executive Directors with 50% of them being Independent Directors. The Chairman of the Board is a Non-Executive Director. There are no Alternate Directors on the Board. The Woman Director of the Company is an Independent Director. The composition of the Board is aimed at maintaining an appropriate balance of skills,

background, experience and knowledge of the Board for guiding the Company in achieving its objectives in a sustainable manner. The composition of the Board, as at end of FY 2023-24, was in conformity the Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 (Act) read with Regulation 17A of SEBI LODR. None of the Independent Directors serves as an Independent Director in more than seven (7) listed companies and not more than three (3) listed companies, in case he is a whole-time-Director in a listed company. Similarly, none of the Directors on the Board is a member of more than ten (10) Committees or Chairperson of more than five (5) Committees across all listed and unlisted public companies in which he / she is a Director in terms of Regulation 26 of SEBI LODR. The Directors notify the Company about change in their Directorship(s) / Committee position(s) as and when they take place.

During the FY 2023-24, the Board met six (6) times on May 03, 2023, July 24, 2023 November 02, 2023, January 30, 2024, February 09, 2024 and March 18, 2024 with requisite quorum present throughout the meetings. Wherever required, the Company facilitates the participation of the Directors in Board / Committee meetings through video-conferencing or other audio visual means. The details of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee membership / Chairman position(s) held by them in other public Companies as on March 31, 2024 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 24, 2023)	Number of Directorship in other public companies ¹		Number of Committees Membership ²	
				Chairperson	Member	Chairperson	Member
Mr. L Ganesh (00012583) ³	Chairman, Non-Executive & Promoter	6	Yes	3	4	2	6
Mr. Harish Lakshman (00012602) ⁴	Non-Executive & Promoter	6	Yes	-	5	1	3
Mr. Yasuji Ishii (08078748)	Non-Executive & Nominee	5	No	-	-	-	-
Mr. Ashok Malhotra (00029017)	Non-Executive & Independent	6	Yes	-	-	-	-
Mr. C N Srivatsan (00002194)	Non-Executive & Independent	6	Yes	-	1	1	1

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 24, 2023)	Number of Directorship in other public companies ¹		Number of Committees Membership ²	
				Chairperson	Member	Chairperson	Member
Dr. Brinda Jagirdar (06979864)	Non-Executive & Independent	6	Yes	-	4	2	3

Notes:

1. Excludes Directorships held on the Boards of Private Companies, Section 8 Companies, Debt-Listed Companies and Companies incorporated outside India.
2. Membership in Audit Committee and Stakeholder Relationship Committee of other public companies are only considered as per Regulation 26 of SEBI LODR and membership includes the positions held as chairperson of the Committee.
3. Mr. L. Ganesh, Non-Executive Director, retired as Chairman w.e.f close of business hours on March 31, 2024.
4. Mr. Harish Lakshman, Non-Executive Director, appointed as Chairman w.e.f April 01, 2024.

The details of Directorship of the Board of Directors in other listed entities as on March 31, 2024 are as under:

Name of Director	Name of the listed entity	Category of Directorship
Mr. L Ganesh	Rane (Madras) Limited	Chairman & Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman & Non-Executive & Promoter
	Rane Holdings Limited	Chairman & Managing Director & Promoter
	Sundaram Finance Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane (Madras) Limited	Vice-Chairman & Non-Executive & Promoter
	Rane Engine Valve Limited	Vice-Chairman & Non-Executive & Promoter
	Rane Holdings Limited	Vice-Chairman & Joint Managing Director & Promoter
	The KCP Limited	Non-Executive & Independent
Dr. Brinda Jagirdar	Oriental Hotels Limited	Non-Executive & Independent
	Rane Holdings Limited	Non-Executive & Independent
	IDFC First Bank Limited	Non-Executive & Independent
Mr. C N Srivatsan	Precot Limited	Non-Executive & Independent
Mr. Yasuji Ishii	-	-
Mr. Ashok Malhotra	-	-

There is no inter-se relationship among the other Directors of the Company. The matters specified pursuant to Regulation 17(7) of SEBI LODR under PART A of Schedule II and in particular the annual operating plans and budgets, quarterly results of the Company, minutes of meetings of Audit Committee and other Committees of the Board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc. were discussed by the Board.

An annual calendar for the Board and its Committee meeting(s) was circulated in advance to the Directors. The detailed agenda, setting out the business to be transacted at the meeting(s), supported by notes and presentations and action taken reports from previous meetings was circulated through e-mail and web-based application to the Directors, to enable them to effectively participate in discussions. Minutes of meeting(s) were circulated in a similar manner and comments of Directors, if any, were incorporated with the permission of the Chairman. Post Board meeting reviews were held by the Chairman to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management. Action on matters discussed at previous meeting(s) are reported in the next meeting.

The disclosure regarding meeting of Independent Directors, Board, Directors' performance evaluation and criteria for performance evaluation of Independent Directors are discussed in detail in the Directors Report. In the opinion of Board, the Independent Directors fulfil the conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management.

The Company had issued formal letter of appointment to all the Independent Directors, whenever they are appointed / re-appointed and the terms and conditions of appointment / re-appointment of Independent Directors have also been disclosed in the website of the Company at www.ranegroup.com. In case of resignation of a Director before the expiry of his term, the Company obtains a formal resignation letter requiring detailing of reasons for resignation and the same is furnished to the stock exchanges. However, there was no instance of resignation during the year under review.

Presentations on business and performance updates of the Company, global business environment and business strategy are made to the Board and the Committee members. The details of familiarisation programme for the Independent

Directors are disclosed under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

Skills, expertise and competence of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow

them to make effective contributions to the Board and Committees. The Board ensures and maintains highest standards of corporate governance. The skills, expertise and competencies identified by the Board in the context of the automotive business in which the Company operates for it to function effectively, inter-alia, are as follows:

Areas / Fields	Skills / Competence / Expertise	Name of the Director
Industry and Technology	Possessing industrial, technical and operational expertise and experience in automotive, ancillary and emerging technologies and associations with industrial bodies and professional network.	Mr. L Ganesh Mr. Harish Lakshman Mr. Yasuji Ishii Mr. C N Srivatsan
Business Development	Experience in driving business success across various geographies, diverse business environment, economic conditions and its cultures and global market opportunities.	Mr. L Ganesh Mr. Harish Lakshman Mr. Yasuji Ishii
Governance	Having insight into maintaining effective Board and management relationship, protecting stakeholder's interest and observing appropriate governance practices.	Mr. L Ganesh Mr. Harish Lakshman Mr. Ashok Malhotra Mr. C N Srivatsan Dr. Brinda Jagirdar
Allied disciplines	Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, information systems, risk assessment and human resource.	Mr. L Ganesh Mr. Harish Lakshman Mr. Ashok Malhotra Mr. C N Srivatsan Dr. Brinda Jagirdar

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met five (5) times during the year May 03, 2023; July 24, 2023; November 02, 2023; January 30, 2024 and February 09, 2024 with requisite quorum was present throughout the meetings. The details of members and their attendance as on March 31, 2024 are as below:

Name of the Director	Category	No. of Meetings attended
Mr. C N Srivatsan	Chairman, Non-Executive & Independent	5
Mr. L Ganesh	Member, Non-Executive & Promoter	5
Mr. Ashok Malhotra	Member, Non-Executive & Independent	5
Dr. Brinda Jagirdar	Member, Non-Executive & Independent	5

All the members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Statutory Auditor and the Internal Auditor were present in the meetings on invitation. The President

& Manager and Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors also attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on July 24, 2023.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (Board) in reviewing the financial information which is disseminated to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of Internal Auditor and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013 and other applicable provisions of SEBI LODR and Act, as amended from time to time. In line with these provisions, the Company has framed an Audit Committee Charter, which is subject to review by the Board of Directors.

The terms of reference and roles of the Audit Committee are in line with the provisions of SEBI LODR/ Companies Act, 2013 which are mentioned hereunder:

- Review of financial statements with statutory auditors and management before submission to the Board.
- Review Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review Internal audit function, internal audit reports relating to internal control weaknesses and functioning of the whistle blower mechanism and prohibition of insider trading.
- Evaluation of internal financial controls and risk management systems.
- Review Management discussion and analysis of financial condition, results of operation.
- Review Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, material modifications including any subsequent modifications thereto.
- Compliance with listing and other legal requirements relating to financial statements.
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of the audit findings.
- Review Valuation of undertakings or assets of the company, as and when required.
- Review Financial statements, in particular, the investments made by any unlisted subsidiary of the Company.
- Utilization of loans and / or advances from / investment by the company to its subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.
- Recommending appointment and remuneration of Auditors and CFO.
- Discuss the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditor / Internal Auditor.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of The Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The Audit Committee approves payments to Statutory Auditor for audit and non-audit services.

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of SEBI LODR, the Audit Committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on RPT.

The Audit Committee annually grants omnibus approvals for transactions that are routine or repetitive in nature including transactions which are unforeseen in nature or where complete details are unavailable and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions, including value per transaction, nature of transaction and interest, basis, valuation, justification and material terms of the proposed transactions, their frequency, value as a percentage of turnover, extent and manner of disclosures made to the Audit Committee. On a quarterly basis, the Audit Committee reviews RPTs entered into by the company pursuant to each of the omnibus approval. The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of Internal Auditor observations, statutory compliance and pending litigation matters.

During the year, the Committee:

- Reviewed findings of internal audit and risk assessment framework.
- Reviewed the performance and effectiveness of Statutory Auditors of the Company.
- Recommended revision in statutory audit fees payable to M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors.
- The re-appointment and fixing of remuneration of M/s. Deloitte Touche Tohmatsu India LLP as Internal Auditor for the period January 01, 2024 to December 31, 2024.
- Recommended to the Board, the draft Scheme of Amalgamation of Rane Engine Valve Limited and Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders,

in terms of the provisions of Section(s) 230 to 232 and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder after considering the rationale, salient features of the scheme and benefits, the Valuation Report, the Fairness Opinion and other documents.

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings

The NRC is constituted in terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met three (3) times during the year May 03, 2023, July 07, 2023 and January 30, 2024 with requisite quorum present throughout the meetings. The details of members and their attendance as on March 31, 2024 are as below:

Name of the Director	Category	No. of meetings attended
Mr. Ashok Malhotra	Chairman, Non - Executive & Independent	3
Mr. Harish Lakshman	Member, Non - Executive & Promoter	3
Dr. Brinda Jagirdar	Member, Non-Executive & Independent	3

Overall purpose and terms of reference

The terms of reference and roles of the NRC are in line with the provisions of SEBI LODR / Companies Act, 2013 and roles of the NRC, inter-alia, are as under:

- To formulate criteria for determining qualifications, positive attributes and independence of director for evaluation of performance of Independent Directors and the Board.
- To consider the balance of skills, knowledge and experience required for identifying the role and capabilities gap in the Board, select candidates based on evaluation criteria such as wide range of background, diversity, time commitments, etc., and recommend the candidate to the Board for appointment / reappointment as an independent director. For this, if required, NRC may also use the services of external agencies.
- To approve the remuneration policy of directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).
- To devise policy on Board diversity.
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP.

- To evaluate performance, recommend and review remuneration of the executive directors based on their performance.
- To recommend to the board, the extension / continuation of term of appointment and removal and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either internally by the NRC / by the Board or by an independent external agency and review its implementation and compliance.
- To consider and recommend professional indemnity and liability insurance for Directors, KMPs and SMPs.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

During the year, the NRC, inter alia:

- Reviewed and recommended the process of evaluation of Board, its committees and Directors.
- Reviewed and approved the compensation and benefits of Senior Management Personnel (SMP) and Key Managerial Personnel (KMP).
- Recommended the commission payable to Chairman for FY 2022-23.

During the year under review, the Board amended the definition of Senior Management Personnel in the Nomination and Remuneration Committee Charter to cover specific functions identified across the Company viz., Marketing, Materials & Manufacturing, Human Resource and Operations in accordance with SEBI (LODR) Amendment Regulations, 2023.

Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available is available under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>. This policy is designed to attract, motivate, and retain talented employees who drive the company's success and aims at aligning compensation to goals of the company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

Remuneration to Non-Executive Directors

Mr. L. Ganesh, Chairman is eligible to receive commission upto 2% of Net Profits apart from Sitting Fees. Other Non-Executive Directors do not receive any remuneration other than sitting fee for attending the Board and Committee meetings.

Sitting Fees

The Directors are eligible for sitting fees, apart from reimbursement of their actual travel and out-of-pocket expenses, if any, for attending the meetings of the Board / Committee(s). The sitting fees payable per meeting of Board and its Committees are as under:

Type of Meeting	Sitting fees per meeting (in ₹)
Board	40,000
Audit Committee	35,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000
Stakeholders' Relationship Committee	5,000
Finance Committee	2,500

The criteria for payment to Non-Executive Directors is available under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>. In accordance with the said policy, approval of the shareholders was obtained at the 16th AGM for payment of Commission to Mr. L Ganesh, Chairman. Further, annual approval was also obtained at the 18th AGM in terms of Regulation 17(6) (ca) of SEBI LODR for payment of remuneration for FY 2023-24.

Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors and their shareholding for the year ended March 31, 2024 are as follows:

Name of the Director	Sitting Fees (in ₹)	Remuneration (in ₹)	Shares held as on March 31, 2024
Mr. L Ganesh	4,30,000	1,11,36,000	100
Mr. Harish Lakshman	2,85,000	-	100
Mr. Ashok Malhotra	4,55,000	-	-
Mr. C N Srivatsan	4,15,000	-	-
Mr. Yasuji Ishii	2,00,000	-	-
Dr. Brinda Jagirdar	4,50,000	-	-
Total	22,35,000	1,11,36,000	200

Note:

- Commission for FY 2023-24 being paid / payable to Mr. L Ganesh, Chairman under Schedule V of the Companies Act 2013 and in accordance with approval of the shareholders at the 18th AGM.

- No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company.
- Sitting fee payable to Nominee Director is being remitted to Nisshinbo Holdings Inc., Japan.
- Shareholding includes joint holdings & HUF, if any.

5. Stakeholders' Relationship Committee (SRC)

Composition, Attendance and Meetings

The Stakeholders' Relationship Committee looks into grievances of shareholders and redresses them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the Company and acts as the Secretary to the Committee. The Committee met two (2) times during the year, i.e. May 03, 2023 and November 02, 2023 with requisite quorum present throughout the meetings. The details of members and their attendance as on March 31, 2024 are stated below:

Name of the Director	Category	No. of meetings attended
Mr. Harish Lakshman	Chairman, Non-Executive & Promoter	2
Mr. L Ganesh	Member, Non-Executive & Promoter	2
Mr. Ashok Malhotra	Member, Non-Executive & Independent	2

Overall purpose and terms of reference

The terms of reference and roles of the SRC are framed in line with provisions of SEBI LODR and Companies Act, 2013, inter-alia, are as under:

- To resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

During the year, 1 investor complaint was received which relates to non-receipt of dividend. No complaints

remain unresolved at the end of the financial year 2023-24. The Chairman of SRC was present at the last AGM of the Company held on July 24, 2023.

The SRC during the year reviewed:

- The investor complaints / queries received and redressed.
- The measures taken for effective exercise of voting rights by shareholders at the AGM, wherein the Company engaged CDSL for providing remote e-voting facilities.
- Various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.
- The Internal Audit Report for FY 2022-23 on Integrated Registry Management Services Private Limited (RTA) carried out by Practicing Company Secretary in line with the SEBI Circular dated April 20, 2018.

6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) policy of the Company. The CSR projects and activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time. The Committee met once during the year on May 03, 2023 with requisite quorum present throughout the meeting. The Company Secretary acts as the Secretary to the Committee. The details of members and their attendance as on March 31, 2024 are as stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Chairman, Non-Executive & Promoter	1
Mr. Harish Lakshman	Member, Non-Executive & Promoter	1
Dr. Brinda Jagirdar	Member, Non-Executive & Independent	1

Note:

1. With effect from April 01, 2024, CSR Committee has been re-constituted with Mr. Harish Lakshman as Chairman and Mr. L Ganesh as a Member.

Overall purpose and terms of reference

The terms of reference of the Committee are as follows:

- Formulate and recommend CSR Policy, for approval of the Board.

- Formulate and recommend to the Board, an annual action plan in pursuance to the CSR policy.
- Review and approve projects that are in line with the CSR policy.
- Implement CSR projects / programs directly and through implementing agencies.
- Have monitoring and reporting mechanisms in place to track the progress of implementation of each project / programme for the year and for multiyear projects.
- Recommend the CSR expenditure to the Board of Directors for approval.
- Carry out impact assessment of project / programs, where required.
- Ensure the end utilization of CSR expenditure.
- Such other terms as required under any statutory obligation.

During the year, the Committee:

- Reviewed and recommended the CSR Report on the Projects undertaken during the FY 2022-23 to the Board.
- Reviewed and recommended the Annual Action Plan for FY 2023-24.

The annual report on CSR activities undertaken during the year 2023-24 as approved by the CSR Committee in consultation with the Board is annexed to this report as 'Annexure C'.

7. Risk Management Committee (RMC)

The Company has constituted a Risk Management Committee in compliance with the SEBI LODR.

The Committee comprises of members from the Board and senior member(s) from leadership team. The Committee met two (2) times during the year, i.e. September 11, 2023 and March 06, 2024 with requisite quorum present throughout the meetings. The details of members and their attendance as on March 31, 2024 are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Chairman, Non-Executive & Promoter	2
Mr. Harish Lakshman	Member, Non- Executive & Promoter	2
Mr. C N Srivatsan	Member, Non-Executive & Independent	2
Mr. R Balakrishnan	Member, President Management Group	- 2

Note:

1. With effect from April 01, 2024, RMC has been re-constituted with Mr. Harish Lakshman as Chairman and Mr. L Ganesh as a Member.

The Company's approach towards risk management is to mitigate risks to an acceptable level within its tolerances, protect Rane Group's reputation and brand and strive to achieve operational and strategic business objectives.

Risk Assessment is conducted once in two years and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

Business process and compliance risk evaluation is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize risks.

The Committee is governed by a charter per the terms of reference prescribed under LODR viz.,

- To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- The RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- Power to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The RMC during the year:

- Reviewed the strategic risk, mitigation strategies, extreme risks identified, SOP framework and the internal audit observations on the SOPs.
- Discussed the action plans on process related observation together with improvement measures.
- Reviewed the Business Continuity Plan (BCP) and ensured that all critical business plans are encompassed in the BCP.

8. Other Committees

Share Transfer Committee

To expedite the process relating to share registry, the Board has delegated the power of share transfer, transmission, dematerialization / rematerialization / split / consolidation, issue of duplicate share certificates etc. to a committee comprising of such senior officials designated from time to time. The Committee meets on a case to case basis to approve share registry related activities and the details of which are reported to the Stakeholders' Relationship Committee of the Board. No sitting fees is payable to the committee members.

Finance Committee

A Finance Committee comprising of Mr. L Ganesh and Mr. Harish Lakshman (Non-Executive Directors) has been constituted to approve borrowings and connected matters, in accordance with the delegations made by the Board, from time to time. The Company Secretary acts as Secretary of the Committee. During the year, no meeting was held.

Executive Committee

An Executive Committee comprising of Mr. L Ganesh and Mr. Harish Lakshman (Non-Executive Directors) as its members, is authorized to carry out activities in connection with change in authorization to officials under various legislations, operation of bank accounts and other administrative matters between two consecutive meetings of the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, no meeting was held.

Committee of Independent Directors

A meeting of Independent Directors was conducted on February 09, 2024, to recommend to the Board, the draft Scheme of Amalgamation of Rane Engine Valve Limited and Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, in terms of the provisions of Section(s) 230 to 232 and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder. The Committee, inter-alia, considered rationale, salient features of the scheme and benefits, the Valuation Report, the Fairness Opinion and other documents and formed unanimous opinion that the draft scheme is in the interest of the shareholders

and is not detrimental to their interest, including the interest of the minority shareholders of the company

Separate Meeting of Independent Directors

During the year, in line with requirement under the Companies Act, 2013 and SEBI LODR, the Independent Directors had a separate meeting on March 18, 2024, without the presence of the other Directors and Management. The Lead Independent Director, elected at the meeting, discusses the outcome of such meeting(s) with the Chairman, for any action.

9. Code of conduct

The Board of Directors has laid down a code of conduct, i.e. "Ethical Standards of Behaviour - RANE COMPASS" for all Board members and employees of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>. The Board members and SMP have affirmed their compliance with the code of conduct. A Declaration

from the Manager of the Company to this effect forms part of this report in 'Annexure (i)'.

Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders" and "Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The Chief Financial Officer is the Compliance Officer under this code. The code of fair disclosure practices and procedures for unpublished price sensitive information is available under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>. Further, the Company maintains a Structured Digital Database as required under Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with adequate internal controls, checks, time stamping and audit trails.

10. General Body Meetings

Details of last three Annual General Meetings (AGMs) are as under:

Date of AGM	Special resolutions passed	Time	Venue / Mode
July 24, 2023 (18 th AGM)	1. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to Mr. Ganesh Lakshminarayan (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors	14:00 hrs (IST)	
June 28, 2022 (17 th AGM)	1. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration payable to Mr. Ganesh Lakshminarayan (DIN:00012583), Chairman (Non- Executive Director) exceeding fifty percent of the total annual remuneration payable to all the Non- Executive Directors. 2. Appointment of Mr. C N Srivatsan (DIN:00002194) as an Independent Director 3. Appointment of Mr. Ashok Malhotra (DIN:00029017) as an Independent Director	14:00 hrs (IST)	Video Conferencing / Other Audio Visual Means (VC / OAVM)
July 26, 2021 (16 th AGM)	1. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration payable to Mr. Ganesh Lakshminarayan (DIN: 00012583), Chairman (Non- Executive Director) exceeding fifty percent of the total annual remuneration payable to all the Non- Executive Directors. 2. Approval of payment of commission to Mr. Ganesh Lakshminarayan (DIN: 00012583), Chairman (Non-Executive Director) for a period of three years.	15:00 hrs (IST)	

No resolution was passed either through Postal Ballot or Extra-Ordinary General Meeting during the Financial Year 2023-24.

11. Other disclosures

- i. During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives etc. The transactions entered with related parties during the year were in the ordinary course at arms' length and not in conflict with the interest of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions including those with persons / entities belonging to promoter / promoter group as per Ind AS are stated in Note 40 of the financial statements. The policy on related party transaction is available under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.
- ii. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.
- iii. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
- iv. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- v. The Company has complied with the following non-mandatory requirements prescribed under Part - E of Schedule II, Chapter IV of the SEBI LODR:
 - a. maintains an office for Mr. L Ganesh, Chairman (Non-Executive Director) at the registered office of the Company and allows re-imburement of expenses incurred in performance of his duties.
 - b. adopted best practices to ensure a regime of financial results / statement with unmodified audit opinion.
 - c. internal auditor directly reports to the Audit Committee.
- vi. In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.
- vii. The Company does not have any material listed / unlisted subsidiary as defined in Regulation 24 of the SEBI LODR. Hence, the Company is not required to frame a policy for determining material subsidiary.
- viii. The Company has obtained a certificate from a Company Secretary in Practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The Certificate obtained is attached in '**Annexure (ii)**' to this report on Corporate Governance.
- ix. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 including the compliance with the code of conduct as prescribed in Schedule - IV of the Companies Act, 2013 and Regulation 16 read with Regulation 25 of SEBI LODR and other provisions of the Act and SEBI LODR, as amended from time to time and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.
- x. In terms of Regulation 25 of SEBI LODR, the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the Independent Directors, for such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
- xi. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is available in the Directors' Report.
- xii. The Manager and CFO of the Company have certified to the Board on the integrity of the financial results / statements, effectiveness of internal controls and significant changes in internal control / accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.

- xiii. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
- xiv. The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.
- xv. The total fees for all services paid by the listed entity, to the Statutory Auditor are given as under:

Particulars	(₹ in Crores)	
	FY 2023-24	FY 2022-23
B S R & Co. LLP	0.25	0.21
Net Work entities and firms (if any)	-	-
Total	0.25	0.21

- xvi. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement and hence, the disclosure on utilization of funds is not applicable. There are no convertible instruments issued or outstanding.
- xvii. The Dividend Distribution Policy of the Company is available on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.
- xviii. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statues, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.
- xix. There were no loans / advances to firms / companies in which Directors are interested.
- xx. There are no agreements that require disclosure under Clause 5A of Paragraph A of Part A of Schedule III of the of the SEBI LODR which have an impact on the management or control of the listed entity or create any liability on the listed entity during the FY 2023-24. Please refer to the web-link below for details: <https://ranegroup.com/investors/rane-brake-lining-limited/?rbl-cor-5>.
- xxi. Particulars of senior management including the changes therein since the close of the previous financial year are discussed in detail in the Director's Report.
- xxii. Information about Directors seeking appointment / re-appointment at the ensuing AGM in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2) is available in the Notice to Members.

12. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not have any exposure hedged through Commodity derivatives. The Company has well defined forex exposure guidelines approved by the board of directors and forex exposures are suitably hedged through plain vanilla forward covers.

13. Whistle blower mechanism

The Company has a whistle blower policy, which provides the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. The policy also addresses the protection to whistle blower who makes protected disclosures under the policy and provides for direct access to the Chairman of the Audit Committee.

The policy and the mechanism for reporting have been appropriately communicated across all locations of the Company. No person has been denied access to the ombudsperson / Audit Committee. The whistle blower policy has also been posted under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-brake-lining-limited/>.

14. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Hindu Tamizh Thisai" (Tamil). The financial results, shareholding pattern and other requirements under Regulation 17 to 27 and 46(2)(b) to (i), of SEBI LODR, wherever applicable, were uploaded on the websites of the Stock Exchanges and the Company at www.ranegroup.com. During the year, press releases, presentations made to analysts / institutional investors were made available on the website of the Company.

In view of exemption available vide General circular 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA") read with SEBI Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, the company did not dispatch hard copies of the Annual Report to the shareholders. The full Annual Report was made available on the website of the Company and also disseminated to the stock exchanges where shares of the Company are listed. The hard copies of the Annual Report were sent only to those members who had specifically requested. The electronic copies of the annual report and the notice convening the 18th AGM were sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

The Company has sent KYC reminder letters to all physical shareholders by registered post to update their e-mail ID, PAN & Bank Account details.

In compliance with SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 27, 2023, the Company has disseminated in its website regarding simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination for creating awareness.

15. General Shareholder Information

i. Annual General Meeting

July 22, 2024 (Monday) at 14:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

ii. Financial Year: April 01, 2024 - March 31, 2025

Financial Calendar:

Board meeting for approval of	Tentative schedule
Audited Annual financial results and financial statements for the year ended March 31, 2024	May 03, 2024
Un-audited financial results for the 1 st quarter ending June 30, 2024	By fourth week of July 2024
Un-audited financial results for the 2 nd quarter ending September 30, 2024	By fourth week of October 2024
Un-audited financial results for the 3 rd quarter ending December 31, 2024	By fifth week of January 2025

The above schedule is only tentative in nature and may undergo changes due to change in circumstances.

iii. Dividend

The Board of Directors of the Company at their meeting held on May 03, 2024 have considered and recommended a dividend of 300% (₹30/- per share) on the equity share capital for approval of the shareholders at the ensuing 19th AGM to be

held on July 22, 2024. The dividend, if declared, would be paid for those eligible shareholders whose name appears in the register of members of the Company as on Monday, July 15, 2024 (being the Record Date) fixed for this purpose.

iv. Listing on Stock Exchanges

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	RBL
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532987

Listing Fee

The shares of the Company are listed on NSE & BSE, which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has duly paid the Annual Listing fee for the financial year 2024-25 to NSE & BSE, where the shares of the Company continue to be listed. The shares of the Company were not suspended from trading during the FY 2023-24.

v. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2017 and thereafter which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

The Company has transferred to the IEPF unclaimed Interim dividend of ₹3,77,830/- for the financial year ended March 31, 2016 and unclaimed interim dividend of ₹2,85,138/- for the financial year ended March 31, 2017. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below:

Year	Date of declaration	Dividend per share [#] (Amount in ₹)	Amount outstanding in Unclaimed Dividend Account (as on March 31, 2024) [^] (Amount in ₹)	Last date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2017	23.08.2017	9.00	3,68,343.00	29.09.2024	29.10.2024
31.03.2018*	29.01.2018	6.50	1,98,659.50	06.03.2025	05.04.2025
31.03.2018	24.07.2018	9.00	2,22,777.00	30.08.2025	29.09.2025
31.03.2019*	28.01.2019	6.50	1,49,071.00	05.03.2026	04.04.2026
31.03.2019	25.07.2019	9.00	2,97,774.00	31.08.2026	30.09.2026
31.03.2020*	23.01.2020	6.00	1,37,070.00	28.02.2027	30.03.2027
31.03.2020	05.08.2020	11.00	2,47,129.00	11.09.2027	11.10.2027
31.03.2021	26.07.2021	25.00	4,95,692.00	01.09.2028	01.10.2028
31.03.2022	28.06.2022	20.00	8,00,896.00	04.08.2029	03.09.2029
31.03.2023	24.07.2023	25.00	8,98,283.00	30.08.2030	29.09.2030

Share of paid-up value of ₹10 per share

* Interim dividend

[^] amount reflect the confirmation of balance issued by Bank(s)

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on March 31, 2023 in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details are also available in the investor information section of the website of the Company viz. www.ranegroup.com.

vi. Transfer of shares to IEPF Authority

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, as amended from time to time, ("the Rules" / "IEPF Rules") the Company is required to transfer the equity shares in respect of which dividends are not claimed for the last 7 years by any shareholder to the IEPF Authority.

The Company has transferred to IEPF the following shares:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2015-16 (Interim)	773
2016-17 (Interim)	1,496

The Company has remitted / transferred the dividends declared on the shares already transferred to the IEPF Authority and the details are available in the Company's website at www.ranegroup.com. The other benefits, if any, arising out of shares already transferred to IEPF Authority will also be received by the IEPF Authority unless those shares are claimed by the shareholders.

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure prescribed on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed Dividend for FY 2016-17 (Final) are liable to be transferred to IEPF Authority during the current FY 2024-25. In this regard, the Company shall intimate / publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at www.ranegroup.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

vii. Unclaimed share suspense

In accordance with Regulation 39 of SEBI LODR read with Schedule V of the SEBI LODR, the Company reports the movement of unclaimed shares in the unclaimed share suspense account. The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same. The movement of unclaimed shares in unclaimed share suspense account, during the year are as follows:

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	17	1,669
Requests for transfer during the year	2	300
Transfers during the year	2	300
Balance at the end of the year	15	1,369

In compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD1/OW/P/2022/64923 dated December 30, 2022, the Company has opened "Rane Brake Lining Limited - Suspense Demat Escrow Account" with M/s. Integrated

Enterprises (India) Private Limited, the Depository Participant to credit securities for which demat is pending beyond 120 days from the date of issuance of letter of confirmation.

viii. Share Price Data

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India (NSE) Ltd. and BSE Ltd., The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 1, 2023 - March 31, 2024 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (in ₹)		High	Low	Share Prices (in ₹)		High	Low
	High	Low			High	Low		
April 2023	718.00	634.90	61,209.46	58,793.08	724.95	629.45	18,089.15	17,312.75
May 2023	784.00	700.00	63,036.12	61,002.17	784.50	698.10	18,662.50	18,042.40
June 2023	892.00	699.95	64,768.58	62,359.14	894.90	725.10	19,201.70	18,464.55
July 2023	915.90	737.00	67,619.17	64,836.16	915.85	736.00	19,991.85	19,234.40
August 2023	810.00	730.00	66,658.12	64,723.63	805.00	730.50	19,795.60	19,223.65
September 2023	856.35	775.50	67,927.23	64,818.37	853.00	774.55	20,222.50	19,255.70
October 2023	860.00	742.00	66,592.16	63,092.98	860.00	740.80	19,849.75	18,837.85
November 2023	878.85	796.70	67,069.89	63,550.46	885.30	792.50	20,158.70	18,973.70
December 2023	903.85	813.00	72,484.34	67,149.07	908.50	812.05	21,801.45	20,183.70
January 2024	944.60	824.00	73,427.59	70,001.60	942.00	819.00	22,124.15	21,137.20
February 2024	891.60	750.00	73,413.93	70,809.84	893.00	750.00	22,297.50	21,530.20
March 2024	820.00	645.45	74,245.17	71,674.42	785.00	642.95	22,526.60	21,710.20

source: www.bseindia.com & www.nseindia.com

ix. Registrar and Transfer Agent

The contact details of the Registrar and Transfer Agents are as follows:

**Integrated Registry Management
Services Private Limited**

SEBI Registration No. INR000000544
 II Floor, 'Kences Towers', No.1, Ramakrishna Street,
 North Usman Road, T. Nagar, Chennai - 600 017
 Phone: 28140801 - 03, Fax: 28142479, 28143378.
 E-mail ID: einward@integratedindia.in
 Website: www.integratedregistry.in
 Name of the contact person:
 Mr. K. Suresh Babu, Director

x. Share Transfer System & Share Capital Audit

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA.

The Share transfers and transmissions are approved and registered within the prescribed timelines. On a yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practicing Company Secretary (PCS) in terms of Regulation

40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

xi. Distribution of shareholding as on March 31, 2024

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	16,634	97.43	7,89,604	10.22
501 - 1000	225	1.32	1,71,483	2.22
1001 - 2000	100	0.59	1,49,008	1.93
2001 - 3000	38	0.22	96,440	1.25
3001 - 4000	18	0.11	65,216	0.84
4001 - 5000	11	0.06	48,993	0.63
5001 - 10000	20	0.12	1,47,088	1.90
10001 & above	26	0.15	62,62,039	81.01
Total	17,072	100.00	77,29,871	100.00

xii. Shares Dematerialization

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2024, about 99.19% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only

in dematerialised form. A comparative table of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares - As on		% to total capital - As on	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Physical	62,392	66,494	0.81	0.86
Demat	76,67,479	76,63,377	99.19	99.14
Total	77,29,871	77,29,871	100.00	100.00

A reconciliation of share capital, audited by Practicing Company Secretary (PCS) is submitted to the Stock Exchanges on a quarterly basis in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. The Company is taking initiatives to reach out to investors holding shares in physical form, to dematerialize their shareholding immediately to avoid

xiv. Plant locations

Refer Corporate Information section of the Annual Report

xv. Credit Rating

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the company during the year ended March 31, 2024 are as follows:

Rating Agency	Security - Type	(₹ in Crores)	Credit Rating	Outlook	Status (Assigned / Re-affirmed / Revised / Withdrawn)	Date of credit rating obtained
ICRA Limited	Long term	120.82	AA-	Stable	Re-affirmed	January 04, 2024
	Short term	44.50	A1+	-		
	Long term	165.32	AA-	Stable	Watch with developing Implications	February 20, 2024
	Short term		A1+	-		

xvi. Address for communication:

The Compliance officer
Rane Brake Lining Limited
 Rane Corporate Centre,
 "Maithri", No. 132, Cathedral Road,
 Chennai - 600 086
 Phone : 28112472
 e-mail ID: investorservices@ranegroup.com
 Website: www.ranegroup.com

OR

Mr. K Suresh Babu, Director
Integrated Registry Management Services Private Limited
 II Floor, 'Kences Towers'
 No.1, Ramakrishna Street,
 North Usman Road,
 T. Nagar, Chennai - 600 017
 Phone: 28140801-03, Fax: 28142479
 e-mail ID: einward@integratedindia.in
 Website: www.integratedregistry.in

For and on behalf of the Board

Chennai
 May 03, 2024

Ganesh Lakshminarayan
 Director
 DIN:00012583

Harish Lakshman
 Chairman
 DIN:00012602

Annexure (i)

CERTIFICATE FROM MANAGING DIRECTOR / MANAGER

To
The Members,
Rane Brake Lining Limited

**Declaration by Manager on Code of Conduct pursuant to Part C of Schedule V of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, hereby declare that to the best of my knowledge and information, all the Board members and Senior Management Personnel have affirmed compliance with 'Ethical Standards of Behaviour - RANE COMPASS', the code of conduct, for the year ended March 31, 2024.

Chennai
May 03, 2024

R Balakrishnan
Manager

Annexure (ii)

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with Schedule V Para C (10) (i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Rane Brake Lining Limited
[CIN: L63011TN2004PLC054948]
"Maithri", No.132, Cathedral Road, Chennai - 600 086.

We hereby certify that, in our opinion, **none of the below named Directors** who are on the Board of Directors of **RANE BRAKE LINING LIMITED** ('the Company') as on **March 31, 2024**, have been **debarred or disqualified from being appointed or continuing as directors** of companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number (DIN)
1.	Ganesh Lakshminarayan [#]	Chairman, Non-Executive, Promoter	00012583
2.	Harish Lakshman ^{##}	Non-Executive, Promoter	00012602
3.	Srivatsan Coimbatore Natarajan	Non-Executive, Independent	00002194
4.	Ashok Malhotra	Non-Executive, Independent	00029017
5.	Brinda Jagirdar	Non-Executive, Independent	06979864
6.	Yasuji Ishii	Non-Executive, Non-Independent, Nominee	08078748

[#] Retired as Chairman of the Board effective from close of business hours on March 31, 2024, and re-designated as Non-Executive and Non-Independent Director, with effect from April 1, 2024.

^{##} Appointed as the Chairman of the Board, and re-designated as Chairman, Non-Executive and Non-Independent Director, with effect from April 1, 2024.

We are issuing this certificate based our verification of the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Information relating to the directors available in the official website of the Ministry of Corporate Affairs;
2. Disclosures / declarations / confirmations provided by the said directors to the Company;
3. Registers, records, forms and returns filed / maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers and agents.

Management's responsibility:

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of Directors of the Company.

Our responsibility:

Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For **S. KRISHNAMURTHY & CO.**

Company Secretaries,
[Firm Unique Identification No. P1994TN045300]
[Peer Review Certificate No. 739/2020]

SHARANYA SRIRAM

Partner

Membership No: **F10252**

Certificate of Practice No: **12731**

UDIN: F010252F000305877

Chennai
May 03, 2024

Annexure (iii)

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
 The Members

Rane Brake Lining Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated April 19, 2024
2. We have examined the compliance of conditions of Corporate Governance by Rane Brake Lining Limited ("the Company"), for the year ended March 31, 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2024.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for

Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
 Chartered Accountants
 Firm's Registration No: 101248W/W-100022

Harsh Vardhan Lakhotia

Partner

Place: Chennai
 Date: **May 03, 2024**

Membership No: 222432
 UDIN: 24222432BKGUDT8106

Annexure F to the Report of the Board of Directors

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

for the Financial Year 2023-24

Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Remuneration paid to Directors and Key Managerial Personnel

Name	Designation	% increase / (decrease) of remuneration FY 2023-24	Ratio of remuneration of each Director to median remuneration of employees
Director			
Mr. L Ganesh	Non - Executive Chairman (Refer note iii)	18%	16 times
Key Managerial Personnel			
Mr. R Balakrishnan	President & Manager	12%	Not Applicable
Mr. J Ananth	Chief Financial Officer	13%	
Mr. Venkatraman	Company Secretary (Refer note iv)	6%	

Notes:

- (i) None of the other Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof. Hence, the ratio of remuneration and percentage increase have not been considered.
 - (ii) Remuneration considered based on annual emoluments (including variable pay) and designation as on date.
 - (iii) Mr. L Ganesh, retired as Chairman w.e.f. close of business hours on March 31, 2024 and continues as Non-Executive Director and Mr. Harish Lakshman, was appointed as Chairman of the Board w.e.f. April 01, 2024.
 - (iv) Remuneration of Company Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
2. Percentage increase in median remuneration during the Financial Year 2023-24: **9%**.
 3. Number of permanent employees on the rolls of the Company as on March 31, 2024: **606**.
 4. Average percentile increase already made in salary of employees other than the managerial personnel in the last financial year (FY 2023-24) was **10%**, as against a percentile increase in managerial remuneration of **12%** in the last financial year (FY 2023-24). The increase in managerial remuneration is in line with the performance of the Company & industry practice.
 5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy of the Company.

For and on behalf of the Board

Chennai
May 03, 2024Ganesh Lakshminarayan
Director
DIN:00012583Harish Lakshman
Chairman
DIN:00012602

INDEPENDENT AUDITORS' REPORT

To
The Members
Rane Brake Lining Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Rane Brake Lining Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

See Note 2(1) and 24 to the financial statements

The key audit matter

Revenue recognition involves identification of contracts with customers, identification of distinct performance obligations, determination of transaction price and the basis used to recognise revenue at a point in time.

Revenue is recognised when (or as) a performance obligation is satisfied i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.

Revenue recognition has been identified as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance metric. Therefore, there may be a possibility for revenue to be overstated or recognised before control has been transferred.

How the matter was addressed in our audit

In view of the significance of the matter, the following key audit procedures were performed by us:

- Assessed the compliance of the Company's revenue recognition accounting policies with applicable accounting standards
- Evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis.
- Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents including shipping document, customer acknowledgement, dispatch notes, etc.
- Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to determine the accuracy of the period in which revenue was recognized.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future

events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 02 April 2024 and 05 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- B. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 34.a to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. The following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Year	Date of declaration of dividend	Amount outstanding in Unclaimed Dividend Account	Due date for transfer to Investor Education and Protection Fund	Actual date for transfer to Investor Education and Protection Fund
FY 2016-17	20 January 2017	INR 2.86 lakhs	27 March 2024	02 May 2024

- d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 31.3 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 31.3 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 18(c) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, except for the instances mentioned below, the company has used accounting software for maintaining its books of account which have a feature of audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the respective software:
- The feature of recording audit trail (edit log) was not enabled at the application layer for certain fields of tables relating to Production Inventory and Payroll.
 - The feature of audit trail was not enabled at the application layer of the accounting software for direct data changes performed by users having privileged access.
 - The feature of audit trail was not enabled at the database layer of the accounting software for the entire audit period.

Further, for the periods where audit trail (edit log) facility was enabled for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Harsh Vardhan Lakhotia

Partner

Place : Chennai

Membership No.: 222432

Date : **May 03, 2024**

ICAI UDIN:24222432BKGUDR8957

Annexure A to the Independent Auditor's Report on the Financial Statements of Rane Brake Lining Limited for the year ended March 31, 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in two years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, title deeds for a part of an immovable property in nature of land and building thereon situated at Telangana (measuring 11.2 acres), with aggregate gross carrying values of INR 2.98 crores approximately, are disputed by The State of Telangana for which the Company has filed a writ petition with the Honourable High Court of Telangana and obtained an interim stay.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties (mutual funds), in respect of which the requisite information is as below. The Company has not made any investments in firms or limited liability partnership.
 - (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. There are no guarantees provided or security given by the Company during the year.
 - (c) The Company has not given any loans and advances in the nature of loan to any party during the year. Accordingly, clause (iii)(c) of the Order is not applicable to the Company.
 - (d) The Company has not given any loans and advances in the nature of loan to any party during

the year. Accordingly, clause (iii)(d) of the Order is not applicable to the Company.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination

of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Sales Tax, Service Tax, Provident Fund, Income-Tax which have not been deposited on account of any dispute is set out in Appendix I.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in the Company's annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
 Chartered Accountants
 Firm's Registration No.:101248W/W-100022

Harsh Vardhan Lakhotia

Partner

Place : Chennai

Membership No.: 222432

Date : **May 03, 2024**

ICAI UDIN:24222432BKGUDR8957

APPENDIX I

Nature of dues	Name of the statute	Forum where dispute is pending	Period to which the amount relates	Disputed amount (₹ in Crores)	Amount unpaid (net of amount paid under protest) (₹ in Crores)
Income Tax	Income Tax Act, 1961	High Court of Judicature, Madras	2003-04	0.05	0.05
Income Tax	Income Tax Act, 1961	Deputy Commissioner of Income Tax	2005-06	0.05	-
Income Tax	Income Tax Act, 1961	Commissioner of Income Tax (Appeals)	2005-06 and 2010-21	10.10	5.48
Income tax	Income Tax Act, 1961	Income Tax Officer	2006-07 and 2021-22	3.60	2.31
Sales tax	Central Sales Tax Act, 1956	Madras High Court, Chennai	April 2017 to June 2017	0.06	-
Service tax (including interest and penalty)	Finance Act, 1994	Customs, Excise And Service Tax Appellate Tribunal, Chennai	August 2012, April 2015 to March 2017	0.18	0.09
		Customs, Excise And Service Tax Appellate Tribunal, Hyderabad	February 2016 to June 2017	0.20	0.02
Provident fund	Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Appellate Tribunal, New Delhi	April 2010 to September 2011	0.07	0.04

Annexure B to the Independent Auditor's Report on the Financial Statements of Rane Brake Lining Limited for the year ended March 31, 2024

Report on internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Rane Brake Lining Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that

a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Harsh Vardhan Lakhotia

Partner

Place : Chennai

Membership No.: 222432

Date : **May 03, 2024**

ICAI UDIN: 24222432BKGUDR8957

BALANCE SHEET

AS AT MARCH 31, 2024

(₹ in Crores)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	125.71	117.56
Capital work-in-progress	4	7.00	4.38
Right-of-use assets	5	0.58	0.15
Other intangible assets	6	0.65	0.51
Financial assets			
- Investments	7	1.90	1.35
- Other financial assets	8	4.29	4.04
Income tax assets	9	4.12	4.95
Other non-current assets	10	2.19	3.55
Total non-current assets		146.44	136.49
Current Assets			
Inventories	11	93.50	90.78
Financial assets			
- Investments	13	4.06	22.72
- Trade receivables	14	147.04	109.80
- Cash and cash equivalents	15	3.86	6.75
- Bank balances other than cash and cash equivalents above	16	0.41	0.36
- Other financial assets	8	0.71	0.75
Other current assets	10	4.70	6.50
Total current assets		254.28	237.66
TOTAL ASSETS		400.72	374.15
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	7.73	7.73
Other equity	18	273.35	253.45
Total equity		281.08	261.18
Liabilities			
Non-Current Liabilities			
Financial liabilities			
- Lease liabilities	19	0.47	0.08
- Other financial liabilities	20	0.62	0.59
Provisions	22	4.40	3.91
Deferred tax liabilities, net	12	1.21	0.34
Other non-current liabilities	23	0.32	0.44
Total non-current liabilities		7.02	5.36
Current Liabilities			
Financial liabilities			
- Lease liabilities	19	0.16	0.11
- Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises;		19.32	15.13
Total outstanding dues of creditors other than micro enterprises and small enterprises		43.83	48.72
- Other financial liabilities	20	25.61	31.51
Other current liabilities	23	18.31	9.38
Provisions	22	5.09	2.76
Income tax liabilities	9	0.30	-
Total current liabilities		112.62	107.61
Total liabilities		119.64	112.97
TOTAL EQUITY AND LIABILITIES		400.72	374.15
Material accounting policies	2		
See accompanying notes forming part of the financial statements	2 - 42		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of
Rane Brake Lining Limited**Harsh Vardhan Lakhotia**

Partner

Membership No.: 222432

Ganesh Lakshminarayan

Director

DIN:00012583

Harish Lakshman

Chairman

DIN:00012602

Place : Chennai

Date : **May 03, 2024****R Balakrishnan**

Manager

J Ananth

Chief Financial Officer

Venkatraman

Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Sl. No.	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenues from Operations	24	660.83	598.80
II	Other Income	25	2.14	8.27
III	Total Income (I+II)		662.97	607.07
IV	Expenses :			
	Cost of materials consumed	26	357.05	345.06
	Purchases of stock-in-trade		-	0.04
	Changes in inventories of finished goods and work-in-progress	27	5.06	(15.37)
	Employee benefits expense	28	87.22	83.50
	Finance costs	29	0.03	0.05
	Depreciation and amortisation expenses	30	21.84	20.00
	Other expenses	31	136.12	129.21
	Total expenses (IV)		607.32	562.49
V	Profit before exceptional items and tax (III-IV)		55.65	44.58
VI	Exceptional item	35	(1.22)	-
VII	Profit before tax (V+VI)		54.43	44.58
VIII	Tax expense:	33		
	- Current tax		12.92	12.19
	- Deferred tax		1.23	(1.07)
	Total tax expense (VIII)		14.15	11.12
IX	Profit for the year (VII - VIII)		40.28	33.46
X	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	- Re-measurement gains / (losses) on defined benefit plans, net		(1.42)	0.45
	- Income tax relating to items that will not be reclassified to profit or loss		0.36	(0.11)
	Total other comprehensive income / (loss) for the year (net of tax) (X)		(1.06)	0.34
XI	Total comprehensive income for the year (IX+X)		39.22	33.80
XII	Earnings per equity share	36		
	- Basic (In ₹)		52.11	43.29
	- Diluted (In ₹)		52.11	43.29
	Material accounting policies	2		
	See accompanying notes forming part of the financial statements	2 - 42		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

Harsh Vardhan Lakhotia

Partner

Membership No.: 222432

Ganesh Lakshminarayan

Director

DIN:00012583

Harish Lakshman

Chairman

DIN:00012602

Place : Chennai

Date : **May 03,2024**

R Balakrishnan

Manager

J Ananth

Chief Financial Officer

Venkatraman

Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
A Cash flows from operating activities			
Profit before tax		54.43	44.58
Adjustments for:			
Depreciation and amortisation expenses	30	21.84	20.00
Finance costs	29	0.03	0.05
Mark to market loss / (gain) on derivative instruments		0.09	(0.27)
Interest income	25	(1.22)	(0.68)
Unrealised foreign exchange loss		-	0.04
Loss allowance on trade receivables	31	0.03	1.24
Liabilities no longer required written back	25	-	(6.15)
Operating profit before working capital changes		75.20	58.81
Working capital adjustments:			
Decrease / (increase) in inventories		(2.72)	9.96
Decrease / (increase) in financial assets		(37.39)	33.23
Decrease / (increase) in other assets		2.69	(3.22)
(Decrease) / increase in financial liabilities		(6.92)	(43.09)
(Decrease) / increase in other liabilities and provisions		10.21	7.04
Cash generated from operating activities		41.07	62.73
Income tax paid, net		(11.78)	(13.39)
Net cash generated from operating activities (A)		29.29	49.34
B Cash flows from investing activities			
Acquisition of property, plant and equipment and other intangible assets		(31.84)	(25.95)
Proceeds from disposal of property, plant and equipment		0.00	0.00
Redemption / (acquisition) of current investments		18.66	(22.72)
Acquisition of non-current investments		(0.55)	-
Interest received		1.08	0.71
Net cash used in investing activities (B)		(12.65)	(47.96)
C Cash flows from financing activities			
Payment of lease liabilities		(0.18)	(0.13)
Payment of dividend		(19.32)	(15.46)
Interest paid		(0.03)	(0.05)
Net cash used in financing activities (C)		(19.53)	(15.64)
Net decrease in cash and cash equivalents (A+B+C)		(2.89)	(14.26)
Cash and cash equivalents at the beginning of the year	15	6.75	21.01
Cash and cash equivalents at the end of the year	15	3.86	6.75

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

Particulars	Lease liabilities
Total liabilities from financing activities	
As at April 01, 2022	0.23
Interest expense on lease liabilities	0.00
Payment of lease liabilities	(0.13)
New leases	0.09
As at March 31, 2023	0.19
Interest expense on lease liabilities	0.00
Payment of lease liabilities	(0.18)
New leases	0.62
As at March 31, 2024	0.63
Material accounting policies	2
See accompanying notes forming part of the financial statements	2 - 42

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Place : Chennai
Date : **May 03,2024**

R Balakrishnan
Manager

J Ananth
Chief Financial Officer

Venkatraman
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital			(₹ in Crores)		
Particulars	Note	Amount			
Balance as at April 01, 2023	17	7.73			
Changes in equity share capital due to prior period errors		-			
Restated balance as at April 01, 2023		7.73			
Changes in equity share capital during the year		-			
Balance as at March 31, 2024	17	7.73			
Balance as at April 01, 2022	17	7.73			
Changes in equity share capital due to prior period errors		-			
Restated balance as at April 01, 2022		7.73			
Changes in equity share capital during the year		-			
Balance as at March 31, 2023	17	7.73			
B. Other equity			(₹ in Crores)		
Particulars	Reserves and Surplus			Total Other Equity	
	Capital Redemption Reserve	General Reserve	Retained Earnings		Remeasurement of defined benefit obligations
Balance as at April 01, 2023	0.18	170.16	83.31	(0.20)	253.45
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 01, 2023	0.18	170.16	83.31	(0.20)	253.45
Profit for the year	-	-	40.28	-	40.28
Other comprehensive loss for the year, net of tax	-	-	-	(1.06)	(1.06)
Total comprehensive income for the year ended March 31, 2024	-	-	40.28	(1.06)	39.22
Transactions with owners of the Company					
Contributions and distributions					
Dividends (INR 25 per share) for FY 2022-23	-	-	(19.32)	-	(19.32)
Amount transferred within reserves	-	44.44	(44.44)	-	-
Balance as at March 31, 2024	0.18	214.60	59.83	(1.26)	273.35

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Reserves and Surplus				Total Other Equity
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at April 01, 2022	0.18	164.36	71.11	(0.54)	235.11
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 01, 2022	0.18	164.36	71.11	(0.54)	235.11
Profit for the year	-	-	33.46	-	33.46
Other comprehensive income for the year, net of tax	-	-	-	0.34	0.34
Total comprehensive income for the year ended March 31, 2023	-	-	33.46	0.34	33.80
Transactions with owners of the Company					
Contributions and distributions					
Dividends (INR 20 per share)	-	-	(15.46)	-	(15.46)
Amount transferred within reserves	-	5.80	(5.80)	-	-
Balance as at March 31, 2023	0.18	170.16	83.31	(0.20)	253.45

Material accounting policies

2

See accompanying notes forming part of the financial statements

2 - 42

As per our report of even date attached

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Harsh Vardhan Lakhotia

Partner

Membership No.: 222432

Place : Chennai

Date : **May 03, 2024**

R Balakrishnan

Manager

Ganesh Lakshminarayan

Director

DIN:00012583

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

Harish Lakshman

Chairman

DIN:00012602

Venkatraman

Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate information

Rane Brake Lining Limited ("the Company") is domiciled in India, with its registered office situated at 'Maithri', No. 132, Cathedral Road, Chennai 600 086. The Company has been incorporated under the provisions of the Companies Act and its equity shares are listed on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The Company is engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks which have applications mainly in automobile industry.

Basis of preparation

1.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the Company's accounting policies are included in note 2.

1.2 Functional and presentation currency

These financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores of Indian Rupees (INR), except share data and as otherwise stated.

1.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items;

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

1.4. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and

the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(6) and 39: Leases - whether an arrangement contains a lease;

Assumptions and estimation uncertainty

In preparing these financial statements, management has made estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may be different from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

- Note 2(2) and 2(3): Useful lives of property, plant and equipment and other intangible assets
- Note 2(8): Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 2(10), 2(11), 9, 22, 33 and 34.a: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provision for income taxes and related contingencies
- Note 22: measurement of defined benefit obligation; key actuarial assumptions;

1.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 41: financial instruments

1.6 Current and non-current classification

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when -

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

2. Material accounting policies

These financial statements have been prepared applying material accounting policies and measurement bases summarized below.

1. Revenue from contracts with customer

The Company generates revenue primarily from manufacture and sale of automotive parts / components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Sale of products:

Revenue is recognised upon transfer of control of promised products to customer (i.e. when products are delivered to customers / carriers). Revenue is measured at the amount of transaction price of goods sold, net of variable consideration on account of various discounts and schemes offered by the Company, goods and service tax.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The refund liability is included in other current liabilities and the right to recover returned goods is included in inventory.

2. Property, plant and equipment

2.1 Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at historical cost less accumulated impairment losses, if any. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

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- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

2.2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

2.3 Transition to Ind AS

The cost of property, plant and equipment at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

2.4 Depreciation

- Depreciation on property, plant and equipment has been provided on the straight-line method on the basis of estimated useful life determined based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc
- Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated based on technical assessment and

in accordance with Part A of Schedule II to the Companies Act, 2013.

- The estimated useful life of the property, plant and equipment are as follows:

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Buildings	30	30
Plant and machinery -Laboratory equipment	3	10
Plant and machinery - Others	15	15
Furniture and fixtures	5	10
Office equipment	3	5
Vehicles	5	10

- Freehold land is not depreciated.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss.

3. Other Intangible assets

Other Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.1 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, if any is recognised in statement of profit and loss as incurred.

3.2 Amortisation

Amortisation is calculated to write off the cost of Intangible assets less their estimated residual values over their estimated useful life of 3 years using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

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3.3 Research & development expenditure

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

3.4 Transition to Ind AS

The cost of intangible assets at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

4. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

5. Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have been declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

6. Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

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- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

7. Financial instruments

7.1 Initial recognition

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivables without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Trade receivables (without a significant financing component) are initially measured at transaction price as per Ind AS 115.

7.2 Classification and subsequent measurement

7.2.1 Financial assets

On initial recognition, a financial asset is classified as measured at:

- a. Amortised cost.
- b. Fair value through other comprehensive Income (FVTOCI) - Debt investment
- c. Fair value through other comprehensive Income (FVTOCI) - Equity investment
- d. Fair value through profit and loss (FVTPL);

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following condition and is not designated as FVTPL:

- The asset is held within a business model where objective is to hold financial assets to collect contractual cash flows; and
- The contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, if any and impairment are recognised in the statement of profit and loss. Any gain or loss on de recognition is recognised in statement of profit and loss.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early

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termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

7.2.2 De-recognition of financial assets

The Company derecognises a financial asset only when;

- a. contractual rights to the cash flows from the financial asset expire or
- b. it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or
- c. in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the same is continued to be recognised to the extent of continuing involvement in the financial asset.

7.3 Financial Liabilities

7.3.1 Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

7.3.2 De-recognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

7.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

7.5 Derivative financial instruments

The Company holds derivative instruments to hedge its foreign currency risk exposure. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

8. Impairment

8.1 Impairment of financial instruments

The Company recognise loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses.

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Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

8.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

8.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

8.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate

sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

8.2 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, if any and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

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9. Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Deferred tax

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for tax purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination, that affects neither accounting nor taxable profit or loss at the time of the transaction and that does not give rise to equal taxable and deductible temporary differences ;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised/ recognised, are reviewed at each reporting date and are recognised/ reduced to an extent that it is probable/ no longer probable respectively that related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the

reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle such tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

10. Employee benefits

10.1 Short term employee benefit obligations

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

10.2 Other long-term employee benefits

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Those that are expected to be encashed after 12 months from the end of the year are treated as other long-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

10.3 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset

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is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

10.4 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

11. Provisions and contingent liabilities

11.1 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure

required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

11.1.1 Provision for warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on technical evaluation and a weighing of all possible outcomes by their associated probabilities.

11.1.2 Onerous contract

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

11.2 Contingent liabilities

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

11.3 Contingent assets

The Company does not recognise contingent assets. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

12. Earnings per share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the additional dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

13. Cash and cash equivalents and statement of cash flows

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

14. Segment reporting

The Company is engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks which largely have applications primarily in automobile industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the Company as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single segment, namely components for transportation industry.

15. Government grants

Government grants related to assets, including non-monetary grants, are initially recognised as deferred

income at fair value if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

16. Interest income

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

17. Foreign currency transactions

Transactions in currencies other than Company's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

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18. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

19. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from April 01, 2024.

Note 3 : Property, Plant and Equipment

(₹ in Crores)

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount							
Balance as at April 01, 2022	4.47	43.78	187.18	0.80	8.22	1.29	245.74
Additions	-	3.54	18.00	0.07	2.31	-	23.92
Disposals	-	-	(0.29)	-	(0.06)	-	(0.35)
Balance as at March 31, 2023	4.47	47.32	204.89	0.87	10.47	1.29	269.31
Additions	-	1.97	26.15	0.07	1.35	-	29.54
Disposals	-	-	(0.51)	-	(0.16)	-	(0.67)
Balance as at March 31, 2024	4.47	49.29	230.53	0.94	11.66	1.29	298.18
Accumulated depreciation							
Balance as at April 01, 2022	-	10.69	113.84	0.57	6.47	0.98	132.55
Depreciation expense	-	2.03	15.67	0.11	1.65	0.09	19.55
Disposals	-	-	(0.29)	-	(0.06)	-	(0.35)
Balance as at March 31, 2023	-	12.72	129.22	0.68	8.06	1.07	151.75
Depreciation expense	-	2.08	17.56	0.13	1.49	0.08	21.34
Disposals	-	-	(0.46)	-	(0.16)	-	(0.62)
Balance as at March 31, 2024	-	14.80	146.32	0.81	9.39	1.15	172.47
Net carrying amount							
As at March 31, 2023	4.47	34.60	75.67	0.19	2.41	0.22	117.56
As at March 31, 2024	4.47	34.49	84.21	0.13	2.27	0.14	125.71

- 3.1. All title deeds of immovable properties are held in the name of the Company. Title deeds for a part of an immovable property in nature of land and building thereon situated at Telangana (measuring 11.2 acres), with aggregate gross carrying values of INR 2.98 approximately, are disputed by The State of Telangana for which the Company has filed a writ petition with the Honourable High Court of Telangana and obtained an interim stay.
- 3.2. The company has not revalued its property, plant and equipment.
- 3.3. Refer note 34.B for Capital commitments.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 4 : Capital Work-In-Progress (CWIP)

(₹ in Crores)

Particulars	Amount
As at April 01, 2022	3.40
Additions	3.98
Capitalised	(3.00)
As at March 31, 2023	4.38
Additions	5.93
Capitalised	(3.31)
As at March 31, 2024	7.00

Ageing schedule of CWIP balances:

As at March 31, 2024

(₹ in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.93	1.07	-	-	7.00
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.98	0.40	-	-	4.38
Projects temporarily suspended	-	-	-	-	-

Note: The Company doesn't have any projects whose completion is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

Note 5 : Right-of-Use Assets

(₹ in Crores)

Particulars	Vehicles
Gross carrying amount	
Balance as at April 01, 2022	0.66
Additions	0.09
Disposals	(0.08)
Balance as at March 31, 2023	0.67
Additions	0.62
Disposals	(0.22)
Balance as at March 31, 2024	1.07
Accumulated depreciation	
Balance as at April 01, 2022	0.43
Depreciation expense	0.13
Disposals	(0.04)
Balance as at March 31, 2023	0.52
Depreciation expense	0.18
Disposals	(0.21)
Balance as at March 31, 2024	0.49
Net carrying amount	
As at March 31, 2023	0.15
As at March 31, 2024	0.58

5.1. Also refer note 39 - Leases

5.2. The company has not revalued its right-of-use assets.

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Note 6 : Other Intangible Assets

(₹ in Crores)

Particulars	Technical knowhow	Software	Total
Gross carrying amount			
Balance as at April 01, 2022	4.07	1.23	5.30
Additions	-	0.40	0.40
Disposals	-	(0.00)	-
Balance as at March 31, 2023	4.07	1.63	5.70
Additions	-	0.46	0.46
Disposals	-	-	-
Balance as at March 31, 2024	4.07	2.09	6.16
Accumulated amortisation			
Balance as at April 01, 2022	4.07	0.80	4.87
Amortisation expense	-	0.32	0.32
Disposals	-	(0.00)	-
Balance as at March 31, 2023	4.07	1.12	5.19
Amortisation expense	-	0.32	0.32
Disposals	-	-	-
Balance as at March 31, 2024	4.07	1.44	5.51
Net carrying amount			
As at March 31, 2023	-	0.51	0.51
As at March 31, 2024	-	0.65	0.65

6.1. The Company has not revalued its other intangible assets.

Note 7 : Non-Current Investments

Particulars	Face value per share	As at March 31, 2024	Amount (₹ in Crores)	As at March 31, 2023	Amount (₹ in Crores)
		Number of shares		Number of shares	
Unquoted investments					
Investments in equity shares carried at amortised cost					
Capsol Energy Private Limited	₹ 10	6,00,000	0.60	6,00,000	0.60
Shree MTK Textiles Private Limited	₹ 100	2,340	0.75	2,340	0.75
CWRE Wind Power Private Limited	₹ 10	379	0.00	379	0.00
Atria Wind (Kadambur) Private Limited	₹ 10	25,000	0.55	-	-
Total			1.90		1.35
Aggregate value of unquoted investments			1.90		1.35
Aggregate amount of impairment in value of investments (included in the above)			-		-

Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security deposits	4.29	4.04	-	-
Interest receivable	-	-	0.36	0.22
Bank deposits with more than 12 months maturity	-	-	-	0.05
Derivative assets	-	-	-	0.05
Others	-	-	0.35	0.43
Total	4.29	4.04	0.71	0.75

8.1. The Company's exposure to credit risk and market risk are disclosed in note 41

8.2. Bank deposits with more than 12 months maturity is towards Margin money with banks to the extent of INR Nil (March 31, 2023: INR 0.01)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 9 : Income Tax Assets, Net

(₹ in Crores)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Income tax assets (refer note 33)	4.12	4.95
Income tax liabilities (refer note 33)	0.30	-

Note 10 : Other Assets

(Unsecured and considered good, unless otherwise stated)

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital advances	1.69	2.16	-	-
Balance with government authorities	0.02	0.17	1.17	0.21
Advances paid to suppliers	-	-	1.12	4.67
Prepaid expenses	0.48	1.22	1.61	0.83
Travel advances	-	-	0.80	0.79
Unsecured and considered doubtful:				
Capital advances	0.20	0.20	-	-
Balance with government authorities	0.27	0.68	-	-
	2.66	4.43	4.70	6.50
Provision for doubtful advances	(0.47)	(0.88)	-	-
Total	2.19	3.55	4.70	6.50

Note 11 : Inventories

(Valued at lower of cost and net realisable value)

(₹ in Crores)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Raw materials (includes goods-in-transit of INR 4.33 (March 31, 2023 : INR 3.73))	54.79	47.85
Work-in-progress	6.82	5.80
Finished goods	26.28	32.36
Stock-in-trade	0.41	0.40
Stores and spares	5.20	4.37
Total	93.50	90.78

The cost of inventories recognised as an expense during the year is disclosed in Note 26 and 27 .

The cost of inventories recognised as an expense is disclosed in Note 27 in respect of write-down of inventory to net realisable value amounting to INR 0.84 (March 31, 2023 : INR 1.04)

Note 12 : Deferred Tax Assets / (Liabilities)

(₹ in Crores)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Deferred tax assets	6.82	7.09
Deferred tax liabilities	(8.03)	(7.43)
Deferred tax liabilities, net	(1.21)	(0.34)

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Movement in temporary differences for the year ended March 31, 2024

(₹ in Crores)

Particulars	As at April 01, 2023	Recognised in profit and loss during the year	Recognised in OCI during the year	As at March 31, 2024
Deferred tax assets				
Provision for employee benefits	-	-	0.36	0.36
Loss allowance on trade receivables	1.11	(0.05)	-	1.06
Voluntary retirement scheme	0.10	(0.03)	-	0.07
Expenses allowable on payment basis	3.05	1.85	-	4.90
Others	2.83	(2.40)	-	0.43
	7.09	(0.63)	0.36	6.82
Deferred tax liabilities				
Property, plant and equipment and other intangible assets	(7.43)	(0.60)	-	(8.03)
	(7.43)	(0.60)	-	(8.03)
Net deferred tax liabilities	(0.34)	(1.23)	0.36	(1.21)

Movement in temporary differences for the year ended March 31, 2023

(₹ in Crores)

Particulars	As at April 01, 2022	Recognised in profit and loss during the year	Recognised in OCI during the year	As at March 31, 2023
Deferred tax assets				
Provision for employee benefits	-	0.11	(0.11)	-
Loss allowance on trade receivables	1.04	0.07	-	1.11
Voluntary retirement scheme	0.17	(0.07)	-	0.10
Expenses allowable on payment basis	2.62	0.43	-	3.05
Others	3.62	(0.79)	-	2.83
	7.45	(0.25)	(0.11)	7.09
Deferred tax liabilities				
Property, plant and equipment and other intangible assets	(8.75)	1.32	-	(7.43)
	(8.75)	1.32	-	(7.43)
Net deferred tax liabilities	(1.30)	1.07	(0.11)	(0.34)

Note 13 : Current Investments

Particulars	As at March 31, 2024			As at March 31, 2023		
	NAV per unit in INR	Quantity (in numbers)	Amount (₹ in Crores)	NAV per unit in INR	Quantity (in numbers)	Amount (₹ in Crores)
Unquoted investments						
Investment in mutual fund - mandatorily measured at FVTPL						
- Nippon India Liquid Fund - Growth Plan - Growth Option	5,843	6,950	4.06	5,453	24,032	13.11
- HDFC Liquid Fund - Growth plan	-	-	-	4,384	21,928	9.61
Total			4.06			22.72
Aggregate value of unquoted investments			4.06			22.72
Aggregate amount of impairment in value of investments (included in the above)			-			-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 14 : Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables - considered good - secured	-	-
Trade receivables - considered good - unsecured	148.21	110.48
Trade receivables - which have significant increase in credit risk	-	-
Trade receivables - credit impaired	3.05	3.74
Loss allowance	(4.22)	(4.42)
Net trade receivables	147.04	109.80

Note 14.1 Trade receivables ageing schedule - March 31, 2024

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	114.33	33.88	-	-	-	-	148.21
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	0.09	0.55	0.64	0.48	1.29	3.05
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	114.33	33.97	0.55	0.64	0.48	1.29	151.26

Note 14.2 Trade receivables ageing schedule - March 31, 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	94.78	15.70	-	-	-	-	110.48
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	0.71	0.94	0.59	0.44	1.06	3.74
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	94.78	16.41	0.94	0.59	0.44	1.06	114.22

Note 14.3 Movement in loss allowance on trade receivables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	4.42	3.32
Loss allowance for the year, net of reversals	0.03	1.24
Amount written off	(0.23)	(0.14)
At the end of the year	4.22	4.42

Note:

The Company's exposure to credit, currency risks and loss allowances related to trade receivables are disclosed in note 41. For terms and conditions relating to related party receivables, refer note 40

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 15 : Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks -		
on current accounts	3.85	6.73
Cash on hand	0.01	0.02
Total	3.86	6.75

Note 16 : Bank Balances other than Cash and Cash Equivalents above

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in earmarked accounts - Unclaimed dividend	0.41	0.36
Total	0.41	0.36

Note 17 : Equity Share Capital

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Authorised share capital:		
Equity shares:		
10,000,000 (March 31, 2023: 10,000,000) equity shares of ₹ 10 each	10.00	10.00
b. Issued, subscribed and paid-up share capital:		
7,729,871 (March 31, 2023: 7,729,871) equity shares of ₹ 10 each fully paid-up	7.73	7.73

17.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ in Crores)	Number of shares	Amount (₹ in Crores)
Equity shares of ₹ 10 each fully paid up				
At the commencement of the year	77,29,871	7.73	77,29,871	7.73
At the end of the year	77,29,871	7.73	77,29,871	7.73

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity share having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

17.2. Shares held by holding Company

Name of the Shareholder	As at March 31, 2024		As at April 1, 2023	
	Number of shares held	Amount (₹ in Crores)	Number of shares held	Amount (₹ in Crores)
Rane Holdings Limited, India	38,67,440	3.87	38,67,440	3.87

NOTES FORMING PART OF FINANCIAL STATEMENTS

17.3 Particulars of shareholders holding more than 5 percent of equity shares in the Company

Name of the Shareholder	As at March 31, 2024		As at April 1, 2023	
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares
Rane Holdings Limited, India	38,67,440	50.03%	38,67,440	50.03%
Nisshinbo Holdings Inc., Japan	15,95,249	20.64%	15,95,249	20.64%

17.4. Shares held by promoters at the end of the year

Promoter name	As at March 31, 2024		As at April 1, 2023		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Rane Holdings Limited, India	38,67,440	50.03%	38,67,440	50.03%	-
Nisshinbo Holdings Inc., Japan	15,95,249	20.64%	15,95,249	20.64%	-
Pushpa Lakshman & Lakshman L	50	0.00%	50	0.00%	-
Lakshman L & Pushpa Lakshman	50	0.00%	50	0.00%	-
Ganesh L & Meenakshi Ganesh	50	0.00%	50	0.00%	-
Harish Lakshman	50	0.00%	50	0.00%	-
Vinay Lakshman	50	0.00%	50	0.00%	-
Meenakshi Ganesh & Ganesh L	50	0.00%	50	0.00%	-
Malavika Lakshman & Harish Lakshman	50	0.00%	50	0.00%	-
Aparna Ganesh	50	0.00%	50	0.00%	-
Aditya Ganesh	50	0.00%	50	0.00%	-
Rekha Sundar	19,400	0.25%	19,400	0.25%	-

Promoter name	As at March 31, 2023		As at April 1, 2022		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Rane Holdings Limited, India	38,67,440	50.03%	38,67,440	50.03%	-
Nisshinbo Holdings Inc., Japan	15,95,249	20.64%	15,95,249	20.64%	-
Pushpa Lakshman & Lakshman L	50	0.00%	50	0.00%	-
Lakshman L & Pushpa Lakshman	50	0.00%	50	0.00%	-
Ganesh L & Meenakshi Ganesh	50	0.00%	50	0.00%	-
Harish Lakshman	50	0.00%	50	0.00%	-
Vinay Lakshman	50	0.00%	50	0.00%	-
Meenakshi Ganesh & Ganesh L	50	0.00%	50	0.00%	-
Malavika Lakshman & Harish Lakshman	50	0.00%	50	0.00%	-
Aparna Ganesh	50	0.00%	50	0.00%	-
Aditya Ganesh	50	0.00%	50	0.00%	-
Rekha Sundar	19,400	0.25%	19,400	0.25%	-

17.5. Information regarding issue of shares in the last five years

The Board of Directors at its meeting held on October 15, 2020, approved a proposal to buy-back upto 266,667 number of equity shares of the Company for an aggregate amount not exceeding INR 22 Crores, being less than 10% of total paid up equity share capital and free reserves as on March 31, 2020 at ₹ 825/- per equity share. The buy back was from the open market through the stock exchanges. The Company bought back 185,109 number of equity shares out of the shares that were tendered by eligible shareholders and extinguished during the immediately preceding five years. The Company has not issued any shares without payment being received in cash / any bonus shares during the immediately preceding five years.

17.6. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the Company. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and its capital requirements. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder

NOTES FORMING PART OF FINANCIAL STATEMENTS

value. There are no externally imposed capital requirements. In order to maintain / achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Note 18 : Other Equity

a. General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 and rules made thereunder.

b. Capital redemption reserve

The Companies Act, 2013 requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to buy-back of equity shares in FY 2020-21 and FY 2021-22.

c. Retained earnings

Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. The balance in retained earnings can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.

In respect of the year ended March 31, 2024, the directors proposed a dividend of INR 30 per share be paid to all holders of fully paid equity shares. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is INR 23.19.

d. Remeasurement of defined benefit obligations

Remeasurement of defined benefit obligations comprises of actuarial gain or losses and return on plan assets (excluding interest income).

Also refer Statement of changes in equity.

Note 19 : Lease Liabilities

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease liabilities (refer note 39)	0.47	0.08	0.16	0.11

Note 20 : Other Financial Liabilities

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Employee benefits payable	-	-	8.39	15.69
Commission payable to key management personnel	-	-	1.12	0.95
Unclaimed dividend	-	-	0.41	0.36
Capital creditors	-	-	2.33	2.07
Security deposits	0.62	0.59	-	-
Derivative liabilities	-	-	0.04	-
Others	-	-	13.32	12.44
Total	0.62	0.59	25.61	31.51

Note 20.1 : The Company's exposure to credit and liquidity risk related to other financial liabilities are disclosed in note 41

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 21 : Trade Payables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	19.32	15.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	43.83	48.72
Total	63.15	63.85

* refer note 21.1 for details of dues to micro enterprises and small enterprises. These details have been provided based on the information available with the Company in respect of the registration status of its vendors/suppliers. All trades payables are 'current'. For related party trade payables refer note 40.

The Company's exposure to credit, currency and liquidity risk related to trade payables is disclosed in note 41

Ageing schedule - Outstanding for following periods from the due date of payment

(₹ in Crores)

Particulars	Disputed dues		Undisputed dues		Total
	MSME	Others	MSME	Others	
As at March 31, 2024					
Not due	-	-	19.29	22.59	41.88
Less than 1 year	-	-	0.03	3.74	3.77
1-2 years	-	-	-	-	-
2-3 years	-	-	-	-	-
More than 3 years	-	-	-	0.05	0.05
Sub-total	-	-	19.32	26.38	45.70
Add: Unbilled dues					17.45
Total					63.15
As at March 31, 2023					
Not due	-	-	15.13	24.15	39.28
Less than 1 year	-	-	-	2.64	2.64
1-2 years	-	-	-	-	-
2-3 years	-	-	-	0.03	0.03
More than 3 years	-	-	-	0.02	0.02
Sub-total	-	-	15.13	26.84	41.97
Add: Unbilled dues					21.88
Total					63.85

21.1. Dues to micro enterprises and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 28, 2008, which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the MSMED Act'). In view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet dates.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	19.32	15.13
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Note 22 : Provisions

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Leave encashment	4.40	3.91	1.50	1.10
Gratuity (refer note 37)	-	-	2.19	0.76
Provision for others				
Warranty	-	-	1.40	0.90
Others	-	-	-	-
Total	4.40	3.91	5.09	2.76

Movement in provision for others

(₹ in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Provision for warranty	Provision for others	Provision for warranty	Provision for others
Opening balance	0.90	-	0.50	0.77
Provision made during the year	0.55	-	0.40	-
Utilisation / transfer during the year	(0.05)	-	-	(0.77)
Closing balance	1.40	-	0.90	-

Note: The Company provides for warranty on certain products sold by the Company.

Provision for warranty are recognised net of reimbursements, the same is expected to be settled / adjusted within one year from the reporting date.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 23 : Other Liabilities

(₹ in Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advances from customers	-	-	0.79	0.17
Deferred income	0.32	0.44	0.03	0.03
Statutory dues payable	-	-	9.88	3.99
Others including EPCG related payable	-	-	7.61	5.19
Total	0.32	0.44	18.31	9.38

Note 24 : Revenue From Operations

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers		
Sale of products	659.35	596.93
Other operating revenues	1.48	1.87
Total	660.83	598.80

Notes:

1. Revenue from major products

(₹ in Crores)

Categories of products sold	Year ended March 31, 2024	Year ended March 31, 2023
Brake Linings	259.68	243.00
Disc Pads	362.79	323.99
Clutch Facings	3.94	4.21
Railway Brake Blocks	13.75	6.60
Others	19.19	19.13
Total	659.35	596.93

2. Other operating revenues

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Scrap sales	0.80	1.09
Export incentives	0.68	0.74
Others	0.00	0.04
Total	1.48	1.87

3. Contract balances

The following disclosure provides information about contract assets and liabilities from contracts with customer

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Contract asset	-	-
Contract liabilities (advances from customers)	0.79	0.17

The amount of INR 0.17 included in contract liabilities at March 31, 2023 has been recognised as revenue during the year ended March 31, 2024 (March 31, 2023: INR 0.12).

4. Reconciliation of revenue recognised with contract price

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	682.61	622.07
Adjustments for:		
Rebates	(23.26)	(25.14)
Total revenue from contract with customers	659.35	596.93

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 25 : Other Income

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income		
- On bank deposits measured under effective interest method	0.86	0.46
- On financial assets measured at FVTPL	0.36	0.22
Liabilities no longer required written back	-	6.15
Other non-operating income	0.92	1.44
Total	2.14	8.27

Note 26 : Cost Of Materials Consumed

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock of raw materials and stock-in-trade	48.25	73.46
Purchases made during the year	364.00	319.85
Closing stock of raw materials and stock-in-trade	(55.20)	(48.25)
Total	357.05	345.06

Note 27 : Changes in inventories of work-in-progress and finished goods

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Work-in-progress		
- Opening stock	5.80	5.12
- Closing stock	6.82	5.80
Sub-total (a)	(1.02)	(0.68)
Finished goods		
- Opening stock	32.36	17.67
- Closing stock	26.28	32.36
Sub-total (b)	6.08	(14.69)
Total (a + b)	5.06	(15.37)

Note 28 : Employee Benefit Expense

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	68.78	66.67
Expenses relating to post-employment benefit plans - Gratuity (refer note 37)	1.23	1.25
Contribution to provident fund (refer note 37)	4.59	3.85
Contribution to other funds	0.50	0.29
Staff welfare expenses	12.12	11.44
Total	87.22	83.50

Note 29 : Finance Costs

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense		
- On lease liabilities	0.00	0.00
- On others	0.03	0.05
Total	0.03	0.05

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 30 : Depreciation and amortisation expenses

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (refer note 3)	21.34	19.55
Depreciation of right-of-use assets (refer note 5)	0.18	0.13
Amortisation of intangible assets (refer note 6)	0.32	0.32
Total	21.84	20.00

Note 31 : Other Expenses

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	28.48	26.35
Consumption of stores and spares	9.84	8.95
Rent expense (refer note 39)	0.09	0.09
Travelling and conveyance	6.76	5.57
Repairs and maintenance		
- Buildings	0.51	0.57
- Plant and machinery	12.42	13.74
- Others	7.87	7.62
Packing, despatching and freight	31.87	30.02
Key management personnel commission (refer note 40)	1.12	0.95
Insurance	1.23	1.10
Commission to selling agents	2.09	1.21
Rates and taxes	4.57	1.17
Payment to auditors (refer note 31.1)	0.27	0.23
Directors' sitting fees	0.19	0.18
Sales promotion and publicity	7.02	6.87
Professional charges	6.16	6.36
Information system expenses	2.53	2.62
Foreign exchange loss, net	0.45	0.74
Loss allowance on trade receivables	0.03	1.24
Printing and stationery	0.53	0.49
Royalty	4.87	6.56
Trade mark fees	3.29	2.99
Corporate social responsibility expenditure (refer note 31.2)	0.85	0.85
Miscellaneous expenses	3.08	2.74
Total	136.12	129.21

NOTES FORMING PART OF FINANCIAL STATEMENTS

31.1. Payment to auditors (excluding taxes)

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
For statutory audit and limited reviews	0.24	0.20
For tax audit	0.01	0.01
For reimbursement of expenses	0.02	0.02
Total	0.27	0.23

31.2. Expenditure on corporate social responsibility

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Amount required to be spent by the company during the year	0.85	0.85
(ii) Amount approved by the Board to be spent during the year	0.85	0.85
(iii) Amount spent during the year		
(a) Construction / acquisition of asset	-	-
(b) On purposes other than (a) above		
(i) Donation	0.73	0.32
(ii) Social welfare expenses	0.12	0.12
(iii) Amount required to be set-off	-	0.41
(iv) Shortfall / (excess) at the end of the year	-	0.00
(v) Total of previous years shortfall	-	-
(vi) Reason for shortfall	NA	NA
(vii) Nature of CSR activities	Education and Community development	Education and Community development
(viii) Details of related party transactions	Refer note 40	Refer note 40
(ix) Where a provision is made with respect to a liability incurred by entering a contractual obligation	No	No

31.3. Other statutory information

- a. The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- b. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- c. The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- d. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - 1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - 2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- e. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- g. The Company does not have any borrowings from banks or financial institutions. The Company has not been declared as a wilful defaulter by any bank or financial institution or other lenders.

NOTES FORMING PART OF FINANCIAL STATEMENTS

- h. The Company does not have any subsidiaries. Hence, compliance with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable.
- i. The Company has not entered into any scheme of arrangement as per sections 230 to 237 of the Companies Act, 2013. Also refer note 35.
- j. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- k. Quarterly returns or statements of current assets filed by the Company for the sanction of working capital loans with banks or financial institutions are in agreement with the books of accounts.

Note 32 : Ratios as per the Schedule III Requirements

a) Current ratio = Current assets divided by current liabilities

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Current assets	254.28	237.66
Current liabilities	112.62	107.61
Ratio	2.26	2.21
% Change from previous year	2.26%	

Reason for change more than 25% : Not applicable

b) Debt-equity ratio and Debt service coverage ratio are not applicable since the Company does not have any debt.

c) Return on equity ratio = Profit after tax divided by average shareholder's equity

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Profit after tax	40.28	33.46
Average shareholder's equity (Refer note below)	271.13	252.01
Ratio	14.86%	13.28%
% Change from previous year	11.90%	

Reason for change more than 25% : Not applicable

Note: Average shareholder's equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) divided by 2

d) Inventory turnover ratio = Revenue from sale of products divided by average inventory

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Revenue from sale of products	659.35	596.93
Average inventory (Refer note below)	92.14	95.76
Ratio	7.16	6.23
% Change from previous year	14.93%	

Reason for change more than 25% : Not applicable

Note: Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2

NOTES FORMING PART OF FINANCIAL STATEMENTS

e) Trade receivables turnover ratio = Revenue divided by average trade receivables (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Revenue (Refer note 1 below)	660.83	598.80
Average trade receivables (Refer note 2 below)	128.42	123.54
Ratio	5.15	4.85
% Change from previous year	6.19%	

Reason for change more than 25% : Not applicable

Note 1: Revenue for the purpose of the table above represents revenue from operations.

Note 2: Average trade receivables = (Total trade receivables as at the beginning of respective year + Total trade receivables as at the end of respective year) divided by 2

f) Trade payables turnover ratio = Expenses divided by average trade payables (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Expenses (Refer note 1 below)	405.71	358.82
Average trade payables (Refer note 2 below)	63.50	94.36
Ratio	6.39	3.80
% Change from previous year	68.16%	

Reason for change more than 25% : Change is on account of earlier payment made to creditors.

Note 1: Purchases include purchases during the year, consumption of stores and spares and packing, despatch and freight.

Note 2: Average trade payables = (Total trade payables as at the beginning of respective year + Total trade payables as at the end of respective year) divided by 2.

g) Net capital turnover ratio = Revenue from operations divided by working capital (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Revenue from operations	660.83	598.80
Working capital	141.66	130.05
Ratio	4.66	4.60
% Change from previous year	1.30%	

Reason for change more than 25% : Not applicable

Note: Working capital = Current assets - Current liabilities

h) Net profit ratio = Net profit after tax divided by Revenue from operations (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Net profit after tax	40.28	33.46
Revenue from operations	660.83	598.80
Ratio	6.10%	5.59%
% Change from previous year	9.12%	

Reason for change more than 25% : Not applicable

i) Return on capital employed = Earnings before interest and taxes (EBIT) divided by Capital employed (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Earnings before interest and taxes (Refer note 1 below)	54.46	44.63
Capital employed (Refer note 2 below)	282.92	261.71
Ratio	19.25%	17.05%
% Change from previous year	12.90%	

Reason for change more than 25% : Not applicable

Note 1: EBIT = Profit before taxes + Finance costs

Note 2: Capital employed = Total equity + deferred tax liabilities + lease liabilities

NOTES FORMING PART OF FINANCIAL STATEMENTS

j) Return on investment = Income generated from invested funds divided by average invested funds in treasury investments
(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Income generated from invested funds	1.22	0.68
Average invested funds in treasury investments (Refer note below)	13.39	20.74
Ratio	9.11%	3.28%
% Change from previous year	177.74%	

Reason for change more than 25% : Variance is on account of higher investments in treasury funds during the current year. Further, the rate of return on investment in treasury funds increased in the current year vis-à-vis the previous year.

Note: Invested funds in treasury investments = (Investment in treasury funds as at the beginning of respective year + Investment in treasury funds as at the end of respective year) divided by 2.

Note 33 : Tax Expense

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax expense :		
- Current year	12.92	12.19
Deferred tax expense - Attributable to :		
- Origination and reversal of temporary differences	1.23	(1.07)
Tax expense recognised in profit or loss	14.15	11.12

Reconciliation of effective tax rate

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	54.43	44.58
Income tax expense calculated at applicable statutory rate of 25.17% (March 31, 2023: 25.17%)	13.70	11.22
Effect of:		
Non-deductible expense	0.21	0.21
Others	0.24	(0.31)
Income tax expense recognised in profit or loss	14.15	11.12

Note 34.A : Contingent Liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the company not acknowledged as debts		
- Income tax matters	11.34	9.80
- Sales tax matters	0.03	0.64
- Service tax matters	0.34	0.34
- Legal and other matters	0.07	0.13

In addition to the above, the Company from time to time is also engaged in proceedings pending with various authorities in the ordinary course of business. Judgement is required in assessing the range of possible outcomes for some of these matters, which could change substantially over time as each of the matters progresses depending on experience on actual assessment proceedings by the respective authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, as considered necessary, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision / disclosures are required for these matters.

Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 34.B : Commitments

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account, not provided for	10.63	12.72

Note 35 : Proposed scheme of amalgamation

The Board of Directors of the Company in their meeting held on February 09, 2024, considered and approved the proposed scheme of amalgamation ("scheme") of the Company and Rane Engine Valve Limited with and into Rane (Madras) Limited, with effect from April 01, 2024 ('the appointed date') under sections 230 to 232 of the Companies Act, 2013, and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder.

The aforesaid scheme is subject to the approval of shareholders and creditors of the respective companies, Stock Exchanges, National Company Law Tribunal and such other approvals as may be required.

Exceptional item represents the amount of INR 1.22 during the year ended March 31, 2024, relating to proposed scheme of amalgamation.

Note 36 : Earnings Per Share ('EPS')

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to the equity holders	40.28	33.46
Weighted average number of equity shares	77,29,871	77,29,871
a. Basic Earning per share (₹)	52.11	43.29
b. Diluted Earnings per share (₹)	52.11	43.29

Note 37 : Employee Benefit Plans

A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

(a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary.

The contributions, as specified under the law, are made to the Government.

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Company contributes up to 15% of the eligible employees' salary to Life Insurance Corporation of India ('LIC') every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of INR 4.59 (for the year ended March 31, 2023 : INR 3.85) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2024, contributions of INR 0.78 (as at March 31, 2023 : INR 0.65) had not been paid. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees upon resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance

NOTES FORMING PART OF FINANCIAL STATEMENTS

Corporation of India (LIC). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(a) Gratuity

The following table summarises the position of assets and obligations relating to the plans: (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	23.99	20.47
Fair value of plan assets	21.80	19.71
Net liability recognised in the balance sheet	2.19	0.76

(i) Movement in present values of defined benefit obligations

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	20.47	19.64
Current service cost	1.22	1.20
Interest cost	1.44	1.38
Actuarial (gain) / loss	1.51	(0.43)
Benefits paid	(0.65)	(1.32)
Closing defined benefit obligation	23.99	20.47

(ii) Movements in the fair value of the plan assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	19.71	18.21
Actuarial gain / (loss)	0.09	0.02
Return on plan assets (excluding amounts included in net interest expense)	1.43	1.33
Contributions from the employer	1.22	1.47
Benefits paid	(0.65)	(1.32)
Closing fair value of plan assets	21.80	19.71

(iii) Amounts recognised in statement of profit and loss and other comprehensive income in respect of these defined benefit plans are as follows.

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	1.22	1.20
Net interest expense	0.01	0.05
Components of defined benefit costs recognised in profit or loss	1.23	1.25
Remeasurement on the net defined benefit liability :		
Actuarial gains on plan assets	0.09	0.02
Actuarial gains / (losses) on plan obligations	(1.51)	0.43
Components of defined benefit costs recognised in other comprehensive income	(1.42)	0.45

NOTES FORMING PART OF FINANCIAL STATEMENTS

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(iv) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	6.97%	7.19%
Salary escalation	8.00%	8.00%
Attrition - Operators	1.00%	1.00%
Attrition - Executive and staffs	7.00%	5.00%

Notes:

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The entire plan assets are managed by Life Insurance Corporation of India (LIC).

Sensitivity analysis

(₹ in Crores)

Change in assumption	March 31, 2024	March 31, 2023
A. Discount rate + 50 BP	7.47%	7.69%
Defined Benefit Obligation	23.00	19.54
Current service cost	1.33	1.16
B. Discount rate - 50 BP	6.47%	6.69%
Defined Benefit Obligation	24.90	21.31
Current service cost	1.45	1.29
C. Salary escalation rate +50 BP	8.50%	8.50%
Defined Benefit Obligation	24.90	21.31
Current service cost	1.45	1.28
D. Salary escalation rate -50 BP	7.50%	7.50%
Defined Benefit Obligation	22.99	19.53
Current service cost	1.32	1.16

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employer contributions

The Company expects to contribute an amount of INR 2.19 towards defined benefit plan obligations funds for year ending March 31, 2025 in view of deficit in plan assets as at March 31, 2024. The weighted average duration of the defined benefit obligation is 8.6 years (March 31, 2023 - 9.4 years). The expected maturity analysis of undiscounted gratuity is as follows:

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Year 1	1.05	0.56
Year 2	2.73	1.82
Year 3	1.26	1.61
Year 4	1.18	1.07
Year 5	1.82	1.00
Next 5 years	17.94	12.89

Note 38 : Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors who are considered to be Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged in manufacture of brake linings, discpads, clutch facings, clutch buttons, brake shoes and railway brake blocks for transportation industry and CODM reviews the operating results as a whole for the purpose of making decision about resources to be allocated and assess its performance. The entire business operations are classified as a single business segment, namely components for transportation industry.

Entity wide disclosures:

The Company's revenues are attributed to the Company's country of domicile and other countries from where the Company derives revenues. Revenues have been disclosed based on the geographical location of customers. The Company has only one geographical location based on location of assets and hence information relating to carrying amount of segment assets and cost to acquire property, plant and equipment and other intangible assets based on location of assets have not been disclosed.

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations (excluding export incentive income)		
- India	624.54	572.49
- Rest of the world	35.61	25.57

Major customer

Revenue from one customer constitutes 29% of the total revenue amounting to INR 188.93 (March 31, 2023 : 31% amounting to INR 184.12)

Note 39 : Leases**A. Movement in lease liabilities**

The following is the movement in lease liabilities:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	0.19	0.23
Additions / (deletions / termination)	0.62	0.09
Interest expense on lease liabilities	0.00	0.00
Payment of lease liabilities	(0.18)	(0.13)
Closing balance	0.63	0.19

B. Maturity analysis - contractual undiscounted cash flows

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	0.16	0.11
One to five years	0.54	0.08
Total	0.70	0.19

NOTES FORMING PART OF FINANCIAL STATEMENTS

C. Amounts recognised in profit or loss

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	0.00	0.00
Expenses relating to short-term leases recognised in other expenses	0.09	0.09

D. Amounts recognised in statement of cash flows

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflows for leases	0.18	0.13

Note 40 : Related Party Disclosures

(a) Names of Related Parties and nature of relationship :

- | | |
|--|-------------------------------|
| (i) Holding Company | Rane Holdings Limited |
| (ii) Entity with significant influence | Nisshinbo Holdings Inc, Japan |

Other related parties where transactions have taken place during the year:

- | | |
|---|--|
| (iii) Key Management Personnel ('KMP') | Mr. R Balakrishnan, Manager & President
Mr. L Ganesh, Director (KMP of Holding company) (Chairman till March 31, 2024)
Mr. Harish Lakshman, Chairman effective April 01, 2024 (KMP of Holding company) |
| (iv) Entities controlled by KMP | Rane Foundation |
| (v) Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence | Rane (Madras) Limited
Rane Engine Valve Limited
Rane Holdings America Inc, USA
Rane Holdings Europe GmbH, Germany
Nisshinbo Automotive Manufacturing Inc, USA
Nisshinbo Brake Inc, Japan
Nisshintoa Iwao Inc, Japan
Saeron Automotive Corporation, Korea
Shijiazhuang TMD Friction Ltd. Co, China (till November 30, 2023)
TMD Friction Services GmbH, Germany (till November 30, 2023) |
| (vi) Post employment benefit plan of the Entity | Rane Brake Lining Limited Employees Gratuity Fund
Rane Brake Lining Limited Senior Executives Pension Fund |

(b) Related Party Transactions

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
Transactions during the year												
- Dividend	9.67	7.73	3.99	3.19	-	-	-	-	-	-	-	-
- Trade mark fee	3.29	2.99	-	-	-	-	-	-	-	-	-	-
- Professional charges and Information system expenses	4.98	4.60	-	-	-	-	-	-	2.24	3.55	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
- Staff welfare expenses - Training	0.25	0.28	-	-	-	-	-	-	-	-	-	-
- Sales promotion and publicity	-	-	-	-	-	-	-	-	2.61	2.36	-	-
- SAP Licence fee	0.23	0.02	-	-	-	-	-	-	-	-	-	-
- Sale of laptop	0.00	0.01	-	-	-	-	-	-	-	-	-	-
- Reimbursement of expenses	-	0.13	-	-	-	-	-	-	0.15	0.24	-	-
- Sale of products	-	-	-	-	-	-	-	-	1.75	2.18	-	-
- Purchase of raw material	-	-	-	-	-	-	-	-	41.49	40.79	-	-
- Royalty	-	-	-	-	-	-	-	-	4.75	6.56	-	-
- CSR	-	-	-	-	-	-	0.68	0.26	-	-	-	-
- Purchase of spares	-	-	-	-	-	-	-	-	0.79	-	-	-
- Purchase of capital goods	-	-	-	-	-	-	0.03	-	-	-	-	-
- Post Employment benefit plan	-	-	-	-	-	-	-	-	-	-	1.22	1.02
Short-term employee benefits												
- Sitting fees paid	-	-	0.02	0.01	0.07	0.06	-	-	-	-	-	-
- Commission to Chairman	-	-	-	-	1.12	0.95	-	-	-	-	-	-
- Remuneration to KMP	-	-	-	-	1.37	1.22	-	-	-	-	-	-

(c) Related party balances

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
Amount Payable												
Trade payables												
- Purchase of Raw Material	-	-	-	-	-	-	-	-	5.17	4.05	-	-
- Commission to Chairman	-	-	-	-	1.12	0.95	-	-	-	-	-	-
- Trade Mark Fee	0.36	0.32	-	-	-	-	-	-	-	-	-	-
- Royalty	-	-	-	-	-	-	-	-	1.36	1.71	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
- Professional Charges	-	-	-	-	-	-	-	-	0.96	0.41	-	-
Provisions												
- Post Employment Benefit	-	-	-	-	-	-	-	-	-	-	2.21	0.80
Amount Receivable												
Revenue advances	-	-	0.00	-	-	-	-	-	0.02	-	-	-
Trade receivables												
- Sale of Products	-	-	-	-	-	-	-	-	0.46	0.75	-	-
- Sale of Assets (Laptops)	-	0.01	-	-	-	-	-	-	-	-	-	-

Provision for gratuity and compensated absences for KMP amounts to INR 0.92 based on actuarial valuation.

Note 41 : Financial instruments - Fair value and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. (₹ in Crores)

Particulars	Carrying Amount				Fair value			
	Note	Measured at FVTPL	Measured at FVTOCI	Measured at amortised cost	Total	Level 1	Level 2	Level 3
As at March 31, 2024								
Financial assets								
Investments in equity shares carried at amortised cost	7	-	-	1.90	1.90	-	-	-
Investments in mutual funds (refer note 2 below)	13	4.06	-	-	4.06	-	4.06	-
Trade receivables	14	-	-	147.04	147.04	-	-	-
Cash and cash equivalents	15	-	-	3.86	3.86	-	-	-
Bank balances other than cash and cash equivalents	16	-	-	0.41	0.41	-	-	-
Other financial assets	8	-	-	5.00	5.00	-	-	-
Total financial assets		4.06	-	158.21	162.27	-	4.06	-
Financial liabilities								
Trade payables	21	-	-	63.15	63.15	-	-	-
Derivative liabilities	20	0.04	-	-	0.04	-	0.04	-
Other financial liabilities	20	-	-	26.19	26.19	-	-	-
Total financial liabilities		0.04	-	89.34	89.38	-	0.04	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Carrying Amount				Fair value			
	Note	Measured at FVTPL	Measured at FVTOCI	Measured at amortised cost	Total	Level 1	Level 2	Level 3
As at March 31, 2023								
Financial assets								
Investments in equity shares carried at amortised cost	7	-	-	1.35	1.35	-	-	-
Investments in mutual funds (refer note 2 below)	13	22.72	-	-	22.72	-	22.72	-
Trade receivables	14	-	-	109.80	109.80	-	-	-
Cash and cash equivalents	15	-	-	6.75	6.75	-	-	-
Bank balances other than cash and cash equivalents	16	-	-	0.36	0.36	-	-	-
Derivative assets	8	0.05	-	-	0.05	-	0.05	-
Other financial assets	8	-	-	4.74	4.74	-	-	-
Total financial assets		22.77	-	123.00	145.77	-	22.77	-
Financial liabilities								
Trade payables	21	-	-	63.85	63.85	-	-	-
Other financial liabilities	20	-	-	32.10	32.10	-	-	-
Total financial liabilities		-	-	95.95	95.95	-	-	-

Note 1: The Company has not disclosed fair values of financial instruments such as investments in equity instruments, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities, since their carrying amounts are a reasonable approximation of their fair values.

Note 2: Fair value of investment in mutual fund is determined based on Net Assets Value published by respective funds (Level 2 - Fair value hierarchy).

Note 3: Fair value of derivative instruments (forward contracts) is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2024 and March 31, 2023.

Fair value measurement hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii) below);
- Liquidity risk (see (iii) below); and
- Market risk (see (iv) below).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from trade receivables, investments and other financial assets.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables and other financial assets. The Company enters into long term contracts with its customers whereby it mitigates the risk exposure on high risk customers. Outstanding customer receivables are regularly monitored and reviewed by the Audit committee periodically.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk for investments, trade receivables, cash and cash equivalents, Bank balances other than cash and cash equivalents and other financial assets are as follows: (₹ in Crores)

	Carrying amount	
	As at March 31, 2024	As at March 31, 2023
Investments	5.96	24.07
Trade receivables	147.04	109.80
Cash and cash equivalents	3.86	6.75
Bank balances other than cash and cash equivalents	0.41	0.36
Other financial assets	5.00	4.79
	162.27	145.77

(a) Trade receivables

The Company's exposure to credit risk for trade receivables by relationship is as follows: (₹ in Crores)

	As at March 31, 2024	As at March 31, 2023
Third party customers	150.80	113.48
Related parties	0.46	0.74
Sub-total	151.26	114.22
Loss allowance	(4.22)	(4.42)
Total	147.04	109.80

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Company's trade receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has adopted a practical measure of computing the expected credit loss allowance for trade receivable which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information including consideration for increased likelihood of credit risk. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Ageing of trade receivables	Credit impaired	Weighted average credit loss rate	Gross carrying amount	Impairment loss allowance
Less than 120 days (including not due)	No	0.14% - 21.43%	148.21	1.17
More than 120 days	Yes	100.00%	3.05	3.05

(b) Investments

Investments include investments in power generation companies and mutual funds. The company maintains its investment in mutual funds with reputed banks. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

(c) Cash and cash equivalents and bank balances other than cash and cash equivalents

The Company holds cash and cash equivalents and bank balances other than cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates. The credit risk on these instruments is limited because the counterparties are banks and financial institutions with high credit ratings assigned by international credit rating agencies.

(d) Other financial assets

Other financial assets comprises of deposits with statutory authorities, interest receivables, long term deposits, advances recoverable in cash and security deposits. The credit risk on these instruments is limited because the counterparties are predominantly Government.

iii. Liquidity risks

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk

The following are contractual maturities of financial liabilities on reporting dates. The amounts are gross and undiscounted:-
(₹ in Crores)

	Contractual cash flows					
	Carrying amount	Total	6 months or less	6-12 months	1-5 years	More than 5 years
As at March 31, 2024						
Trade payables	63.15	63.15	63.15	-	-	-
Other financial liabilities	26.19	26.19	25.57	-	0.62	-
	89.34	89.34	88.72	-	0.62	-
As at March 31, 2023						
Trade payables	63.85	63.85	63.85	-	-	-
Other financial liabilities	32.10	32.10	31.51	-	0.59	-
	95.95	95.95	95.36	-	0.59	-

iv. Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity, and other market changes. The Company's exposure to market risk is primarily on account of foreign currency risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily towards import payments and receipt of trade receivables.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Exposure to currency risk *

(₹ in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
EURO	0.11	0.10	-	1.06
GBP	0.31	0.02	0.18	-
JPY	-	2.79	-	4.62
USD	9.97	2.05	5.83	2.35
Foreign currency exposure	10.39	4.96	6.01	8.03
Less: Hedged through forward contracts	0.32	2.60	0.16	2.90
Unhedged exposure	10.07	2.36	5.85	5.13

* Net of derivative instruments.

Sensitivity analysis

A reasonably possible strengthening / weakening of the INR against EURO / CNH / GBP / JPY / USD as at the respective reporting period end would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant. (₹ in Crores)

Impact on profit or (loss) Equity	FC movement (by 1%)	
	31-Mar-24	31-Mar-23
Strengthening	(0.08)	(0.01)
Weakening	0.08	0.01

Derivative instruments

"The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposure arising on account of import payments. The counterparties of these contracts are generally banks. These derivative financial instruments are determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.

(₹ in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	> 180 days	<= 180 days	> 180 days	<= 180 days
Forward exchange contracts maturing				
Sell INR				
Net exposure	-	1.66	-	2.28
Average INR / JPY forward contract rate	-	0.57	-	0.61
Net exposure	-	0.10	-	-
Average INR / USD forward contract rate	-	82.99	-	-
Net exposure	-	0.02	-	-
Average INR / CNH forward contract rate	-	11.54	-	-
Net exposure	-	0.82	-	0.62
Average INR / EURO forward contract rate	-	90.65	-	87.74
Buy INR				
Net exposure	-	0.32	-	0.16
Average INR / GBP forward contract rate	-	105.96	-	99.74

Interest rate risk

The Company has only fixed rate financial assets (refer note 15). There are no variable rate instruments held by the Company.

Offsetting financial assets and financial liabilities

The Company does not have any financial instruments that offset or are subject to enforceable master netting arrangements and other similar agreements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 42 : Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 03, 2024.

Material accounting policies	2
See accompanying notes forming part of the financial statements	2 - 42

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Place : Chennai
Date : **May 03,2024**

R Balakrishnan
Manager

J Ananth
Chief Financial Officer

Venkatraman
Company Secretary



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